

Racing to Superconductor Age

U.S. Industry Hastens the Move from Lab to Market

By James Gleick
New York Times Service

NEW YORK — Industry in the United States is embarking on a frantic competition to turn a few gray-black chunks of ceramic into impossibly efficient electric transmission lines, impossibly small computers and impossibly fast levitating trains.

The discovery of a new class of superconductors, materials that carry electric current without any loss of energy, has opened the door to a host of futuristic applications.

The result, according to many government and industry officials, appears to be a dramatic hastening of the usual process of bringing a new technology from the laboratory to the marketplace.

In industries ranging from computers to electrical power, companies are acutely aware not only of domestic competition but also of a strong national effort under way in Japan.

"All of the processes are being accelerated," said Paul Fleury of American Telephone & Telegraph Co.'s Bell Laboratories, one of the industrial research centers at the forefront of superconductivity work. "We're considering questions related to technology in a much earlier time than I've ever heard of."

The most optimistic predictions

suggest that large-scale applications of the new materials will take years to develop. But, even as theoretical physicists struggle to understand the materials and improve their current-carrying qualities, engineers already have begun to make

better, current-carrying wires of the material.

Bell said it expected its process to be commercially viable. Several other research centers have turned the superconducting material into thin film that could be used to print electronic circuits on a chip.

The research has a staggering potential for transforming both science and the technology of everyday life. So companies have begun looking for ways to shorten the customary road from a scientific discovery to a commercial technology, from research to development to production.

"The funding agencies are going to put mildly, bananas," said Paul Richards, a physicist at the University of California at Berkeley, "and there is a lot of pressure on the materials people to move quickly."

Mr. Richards has studied several of the possible applications, including high-speed trains that would float in the grip of superconducting magnets.

In the United States, some officials are seeking a coordinated national effort. Legislation has been introduced in Congress to establish a new Commission on Commercial and National Defense Applications of Superconductors.

Senator David F. Durenberger
See CONDUCT, Page 6

There is a tremendous potential market out there for people who can bring this technology into commercial practice.'

— Donald K. Stevens,
U.S. researcher

rapid progress on the first essential production problems.

They are taking the brittle pieces of ceramic that caused the first excitement and turning them into useful shapes: the wires and thin films on which every practical application will depend.

Bell Laboratories and Argonne National Laboratory in Illinois announced separately this week that they had fabricated the first flexi-

Moscow Displays Wiretaps

It Accuses U.S. Of Eavesdropping On 'Huge' Scale

By Gary Lee
Washington Post Service

MOSCOW — The Soviet Union accused Washington Thursday of wide-scale espionage and backed up its charges with a display of wiretaps and other spying devices that it said were taken from five Soviet facilities in the United States.

A Foreign Ministry spokesman,

An architect for the Soviet Embassy describes the discovery of electronic bugs. Page 3.

An expert warns that Moscow's monitoring network is larger than suspected. Page 3.

Boris Pyadyshev, said at a press conference that the charts, photographs and equipment presented here represented only a sampling of the "huge proportions" of eavesdropping equipment periodically uncovered in Soviet facilities in the United States.

U.S. espionage against the Soviet Union constitutes "an electronic invasion," Mr. Pyadyshev said.

In 1979, when the new Soviet Embassy in Washington, which was completed in 1980, was under construction, the Soviet Union charged the United States with planting listening devices in it.

Soviet spokesmen said Thursday that, despite Soviet protests, the scale of bugging of its missions in the United States has increased. They said some of the equipment was discovered "just the other day."

Mr. Pyadyshev charged Washington with launching a campaign of "spy mania" against the Soviet Union "to distract attention from its own gross violations of diplomatic practice and pure human morality with regard to Soviet institutions on its own territory."

In recent weeks, Washington has alleged several cases of espionage, a sexual enticement of U.S. marines by Soviet citizens and bugging in its facilities in the Soviet Union. This was highlighted by an announcement by President Ronald Reagan on Tuesday that the newly built U.S. Embassy in Moscow may have to be demolished due to security breaches.

[In Washington, U.S. officials
See MOSCOW, Page 6]



Governor for Hong Kong Is Sworn In

Sir David Wilson, wearing a plumed ceremonial hat, reviewed an honor guard of Gurkha troops Thursday in Hong Kong before he was sworn in as the governor of the British colony. Sir David, 51, a career diplomat and China expert, succeeds Sir Edward Youde, who died in December. There is no fixed term for the post. Hong Kong is scheduled to be returned to Chinese sovereignty in 1997.

Dollar Off On Baker Remarks

Markets Test Accord by G-7; U.S. Stocks Sink

Compiled by Our Staff From Dispatches
NEW YORK — The dollar closed at a 40-year low against the yen in New York on Thursday after a statement by Treasury Secretary James A. Baker 3d that markets took to mean the U.S. government would agree to a further orderly fall of the dollar.

The dollar's decline triggered heavy selling of Wall Street stocks and the Dow Jones industrial average closed at 2,339.20, off \$2.96 on the day (Page 10). Bond prices also fell.

The chaos in the markets followed a meeting late Wednesday by finance officials of the United States, Japan, West Germany, Britain, France, Italy and Canada, known as the Group of Seven, at which they renewed the commitment made on Feb. 22 in Paris to cooperate to stabilize major currencies "at around current levels."

Thursday's severe selling pressure on the dollar was seen as a test by currency markets of the group's resolve to defend that commitment.

Italy's finance minister, Giovanni Goria, said foreign exchange markets had asked the Group of Seven what they would do to protect the dollar and they had "found the answer was weak."

"In terms of imbalances in the exchange rates, things haven't improved" since Feb. 22, he said.

Wednesday's G-7 session, held during the spring meetings of the International Monetary Fund and World Bank, produced no new initiatives to prop up a dollar that has fallen roughly 5 percent against the yen since the Paris agreement.

As remedies, they have talked of increasing the autonomy given to factory managers and provincial authorities, cracking down on corruption and seeking more trade and investment in the West.

In a more symbolic shift, they are increasingly talking of unleashing the private sector to fuel an economic renovation.

Vietnam is encouraging entrepreneurs to open small businesses and has tried to remove state barriers to the circulation of consumer goods. Laos is increasingly talk of state joint ventures with private business, while trying to normalize relations with Thailand to increase cross-border trade.

In Vientiane and Hanoi, the turn to the private sector has come with varying degrees of enthusiasm and restraint, suggesting to Western analysts that the debate remains unsettled as to the timing and pace of change.

Some hard-liners are concerned about any lessening of party control or loss of ideological purity. Others fear the re-emergence of the once-powerful bourgeois trading class, a group once dominated by ethnic Chinese.

In Cambodia, by contrast, the private sector economy is booming, due in part to the rather liberal application of Marxist economic principles by the Communist authorities in Phnom Penh.

Party officials defend the system as Cambodia's "economic reality," made necessary by poverty and the hardship of an ongoing guerrilla war.

The brisk pace of Cambodia's capitalist economy is reflected in stalls of the half-dozen private markets around the city. Shelves are packed with an array of imported consumer goods, including Nescafe instant coffee, Tang breakfast drink, Heineken beer, gold watches, stationery, children's toys, stereo "boom boxes" and some of the latest rock cassette tapes.

"We don't have a black market," a Cambodian government official boasted to two foreign reporters. "We have a free market."

The variety of Western products seems to make a mockery of Cambodia's supposed isolation from the West eight years after Vietnam invaded Cambodia, deposed the hated Pol Pot regime and installed a Communist government more to its liking. Vietnam keeps about 140,000 troops in Cambodia.

Cambodia's dynamic private sector has also brought a new prosperity to a small but growing number of urban merchants, traders and small businessmen, creating a new, more affluent bourgeois class.

They can be seen plying the city's streets on their shiny new Honda 100 motorcycles, shipped in from Thailand at a cost of \$1,500 each. They can also be seen at the smattering of private restaurants around town, where tables filled with Cambodia's new elite dine on lobsters and imported beer, meals that would cost a government worker five months' salary.

Prime Minister Hun Sen, in an interview, said this capitalism was essential to Cambodia's economic reconstruction.

"The point that we should be

See COMMUNISTS, Page 2

See BELGRADE, Page 6

Opposition In Yugoslavia Still Divided

By Jackson Diehl
Washington Post Service

BELGRADE — Despite recent strikes by Yugoslav workers and a mood of public discontent, the development of a nationwide opposition movement to Communist rule is still considered unlikely by leading intellectual dissidents here.

Opposition activists and Western diplomats say that workers who went on strike in at least 168 communes across the country last month are making pay demands and appear ready to forge independent links among themselves or adopt a broader program.

More importantly, these activists say, the country's intellectual opposition, although steadily growing in recent years, is divided and unprepared for a confrontation with Communist authorities.

Dissidents say the present political balance could shift if the government uses force against workers or if economic conditions deteriorate. For now, however, they say, national Communists leaders and Prime Minister Branko Mikulic face stronger opposition from local Communist authorities than from society as a whole in attempting to implement economic austerity.

"You have a lot of groups and a lot of platforms, but you don't have a common platform anywhere," said Mihajlo Markovic, a leader of the dissident Marxist group Praxis.

"Any effort at a broad opposition movement would be immediately suppressed."

The recent strikes, which followed wage cuts and freezes meant to halt three-digit inflation, was a rare show of national protest. Yugoslavia is divided into six self-governing republics and two provinces, with differences in nationality, wealth, religion and language. Its 23 million people have experienced increasing political fragmentation since the death of its postwar leader, Marshal Tito, in 1980.

Political opposition has largely remained compartmentalized within the republics and has been dealt with by republican rather than federal authorities. The recent strikes were handled by individual repub-

licans.

See BELGRADE, Page 6

Kiosk

Senate Is Critical Of Shultz Trip

WASHINGTON (AP) — The Senate, angered at reports of widespread espionage at the U.S. Embassy in Moscow, urged Secretary of State George P. Shultz on Thursday to cancel his planned talks with Soviet officials next week or find a secure place in which to hold them.

The vote approving a non-binding, sense-of-the-Senate resolution was 70-30. The State Department declined immediate comment, but Mr. Shultz has indicated he intends to go ahead with the trip. (Related Story, Page 2)

The dispute overshadowed a plea by Mr. Shultz for greater freedom for Soviet Jews, which he made after laying a wreath to commemorate victims of the Nazis.

He was accompanied at the ceremony by the president of West Germany, Richard von Weizsaecker, and the mayor of West Berlin, Eberhard Diepgen.

Members of the Jewish community, estimated at about 6,000, followed Mr. Shultz to a memorial where he laid the wreath. The memorial, a gray stone wall, was flanked with the Israeli and West German flags and bore the inscription, "To the Victims of the Nazi Dictatorship 1933 to 1945."

[Police on Thursday arrested a Palestinian man suspected of preparing a bomb attack on Mr. Herzog. The man, 36, was placed in "preventive custody" early Thursday morning, before Mr. Herzog's arrival. The police official said he would be released after Mr. Herzog's departure from the city.]

The dispute was set off when Hans Klein, the minister of development aid and a member of the rightist Christian Social Union, said in an interview published on Sunday that Bonn should allow West German arms manufacturers to sell to Saudi Arabia.

Bonn tried to stifle the dispute but Franz Josef Strauss, the Bavarian leader, insisted that arms for Saudi Arabia were in Western and Israeli interests and that West German firms should supply the weapons.

Contradicting the government, in which his Christian Social Union is a coalition partner, Mr. Strauss said, according to his party newspaper, that Bonn was highly interested in seeing a West German shipyard win a \$4-billion contract to build submarines for the Saudis.

The newspaper reported that arms sales were being considered and that Chancellor Helmut Kohl supported the effort to secure the submarine contract.

Government sources have said that Bonn would grant an export license if a West German shipyard won a \$4-billion contract to provide the submarines.

Mr. Herzog said that Mr. Strauss's views were not new to him, but he found that the timing of his statement broke the accepted rules on international conduct.

GENERAL NEWS

■ Spanish union officials predicted that 1 million workers would strike, halting most air and rail traffic. Page 2.

■ U.S. women voters are likely to play a more visible and important role in the 1988 presidential elections. Page 3.

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■ The EC said it would probe complaints that Japan was selling computer chips in Europe at unfairly low prices. Page 11.

■ Hospital Corp. of America said it had received a \$3.85 billion buyout offer. Page 11.

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Herzog Exhorts Bonn Against Arming Saudis

By Keith B. Richburg
Washington Post Service

BERLIN — President Chaim Herzog of Israel became embroiled Thursday in a West German dispute over arms sales to Saudi Arabia, telling Bonn that it had a special responsibility not to help enemies of the Jews.

He was accompanied at the ceremony by the president of West Germany, Richard von Weizsaecker, and the mayor of West Berlin, Eberhard Diepgen.

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In U.S., Discord On Arms Control

By Craig R. Whitney
New York Times Service

WASHINGTON — Three days before Secretary of State George P. Shultz was to leave for arms control talks in Moscow with Mikhail S. Gorbachev, he got his negotiating instructions from President Ronald Reagan at a meeting at the White House on Wednesday.

In most recent American administrations, this would have been an unremarkable event, part of the

NEWS ANALYSIS

normal bureaucratic wrangling between government agencies before any crucial meeting with the Russians.

But in the Reagan administration, fundamental discord on what should be negotiated with the Russians has gone on for most of the last six years.

And according to several officials directly involved this time, that discord continued right up to the national security meeting the president led at the White House on Tuesday.

Some disagreements may not have been resolved even then, they say, and one of the reasons is that the president seldom intervenes directly to tell his subordinates to stop arguing because he has made up his mind.

The last time he did so was in October, at the Iceland summit meeting with Mr. Gorbachev. He decided on the spot to offer a plan to do away with all offensive missiles within 10 years if Moscow would agree to U.S. research on the Strategic Defense Initiative.

All the European allies, and supporters and critics of the administration alike, later agreed that Mr. Gorbachev spared the president a policy disaster by refusing to agree to a plan that would have left Western Europe facing superior Soviet conventional forces.

Since last fall, the administration has publicly backed away from the proposal to eliminate all nuclear missiles, and the Soviet leaders may

Soviet Crafts Fail To Dock in Space

Reuters

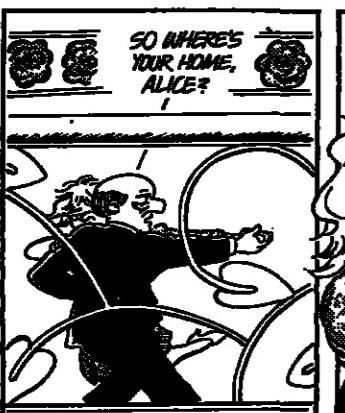
MOSCOW The Soviet space research module Kvant failed to link up completely with the orbiting Mir station Thursday in a second docking attempt.

The first said Kvant had docked with Mir on the side of the station's engine compartment. But the agency added that "analysis of telemetric information from the spacecraft" indicated that the linkup of the module and the orbital station "is not complete."

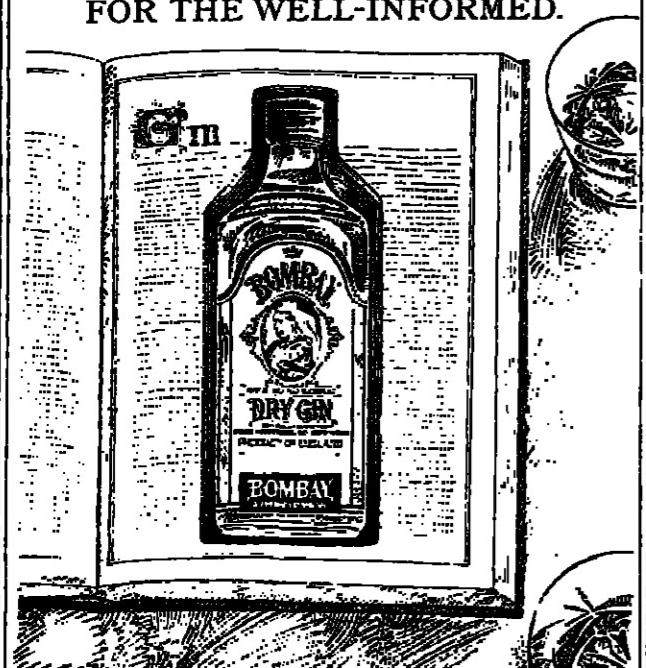
A first attempt to dock Kvant with Mir was aborted on Sunday when the module's directional systems malfunctioned.

Kvant, a new type of vehicle, was launched March 31 carrying 15 tons of instruments and equipment for use in experiments in space.

DOONESBURY



THERE'S ONLY ONE GIN FOR THE WELL-INFORMED.



Gorbachev Begins His Delayed Visit To Prague

By Jackson Diehl
Washington Post Service

have changed some of their positions as well. Mr. Shultz will find out when he starts his talks in Moscow on Monday.

But after Iceland, according to a highly placed administration official, the lower-level wrangling in the government also resumed, particularly over such questions as how to respond to informal Soviet overtures that could be presented formally next week in Moscow.

Paul H. Nitze, the special adviser to the president and to the secretary of state on arms control, has been saying publicly that a decision on when to deploy SDI should wait until it was clear that ballistic missile defense would work and that the Russians could not counter it cheaply by deploying more offensive weapons.

Secretary of Defense Caspar W. Weinberger has been saying the president wants to deploy his Strategic Defense Initiative, and Mr. Weinberger makes it clear that the sooner the better, possibly as early as 1994.

U.S. officials have not yet been able to agree on what kind of proposal to present to the Russians that would make continued work on SDI compatible with the 1972 anti-ballistic missile treaty with Moscow.

After much internal debate, the administration agreed to adopt an interpretation of the treaty that would allow new anti-missile technologies based on principles not known in 1972.

Mr. Nitze made part of the dispute public in an article he wrote last week for The Washington Post, after failing to get the administration to adopt one idea as an approach to the problem.

He wrote that there was "the possibility of a dialogue, along the lines some Soviet scientists have advanced, aimed at identifying the technologies now understood to be based upon other physical principles."

"Using such definitions, one can conceive of a regime that would allow SDI to proceed at a rapid but predictable pace," he continued.

Veneggi P. Velikhov, a physicist and the vice president of the Soviet Academy of Sciences, was in Washington in January and did see Mr. Nitze, according to a spokesman for the Soviet Embassy.

Richard N. Perle, assistant secretary of defense for international security policy, said in an interview last week that such an "unofficial" approach should not be taken seriously until the Russians presented officially. He is also said to believe the idea would be unworkable in any case.

"If we reached agreement on a schedule of permitted and prohibited activity, it'll be unverifiable," a Pentagon official said, "and it will create unequal barriers."

Mr. Perle is going to Moscow with Mr. Shultz this weekend to make sure the Pentagon's views do not get short shrift in negotiation.

A high administration official, who was asked recently, "Do we want to reach an agreement?" answered: "That depends on who we're are."

Soviet officials here have suggested that bilateral economic relations could be a particular focus of discussion. Mr. Gorbachev has been traveling Czechoslovakia and other East European countries to expand trade with the Soviet Union and accept such new forms of cooperation as jointly operated enterprises.

Czechoslovakia has been one of Moscow's most faithful allies since

the 1968 Soviet-led invasion

of Czechoslovakia and other East European countries to expand trade with the Soviet Union and accept such new forms of cooperation as jointly operated enterprises.

Mr. Husak has been a vocal

advocate of the Single European Act, which paves the way for the creation of a true common market by 1992.

The Irish court was acting on an appeal by Raymond Crotty, a Dublin university researcher, who argued that the act compromised Ireland's freedom of action and traditionally neutral posture.

The act is the first significant change in the Treaty of Rome that brought the EC into being 30 years ago. Signed by EC heads of government in 1985, it has been ratified by all member states and by the Irish parliament. It was to have taken effect Jan. 1.

The essential nature of sovereignty is the right to say yes or no, and in the present treaty that right is to be materially qualified," wrote Brian Walsh.

He held that the Single European Act could be interpreted as forcing Ireland to go along with the security policies of the North Atlantic Treaty Organization, to which Ireland does not belong. (AP, Reuters)

After weeks of debate among party leaders, Mr. Husak attempted to settle Czechoslovakia's position on political change at a Central Committee meeting last month by declaring that "no one is forcing us to accept the conclusions of the Soviets, " we will learn everything that can help us."

Mr. Husak and other leaders have outlined a program of cautious economic "restructuring" and promised to study such Soviet-endorsed political reforms as secret ballots and multiple candidates in party elections.

However, the Czechoslovak program falls far short of that outlined by Mr. Gorbachev in the Soviet Union. Officials in Prague have made clear they have no intention of making sweeping changes of personnel as have accompanied Mr. Gorbachev's changes.

The public ceremony outside the Prague castle appeared to attract office workers ordered to appear and spectators attracted by Mr. Gorbachev. The authorities, who did not restrict access to the historic site, later reported that more than 100,000 persons had seen Mr. Gorbachev there or along the route from the airport.

"We decided to work together on the evaluation of enemy defenses that our nuclear forces have to cross," Mr. Giraud said on radio.

He explained that the decision was made during a visit to France by the British defense minister, George Younger, last month.

Military experts said Mr. Giraud's comments underlined France's apparent readiness for strategic cooperation in Europe after decades of insisting on keeping its strike force independent.

He was recruited by Soviet intelligence while he was a specialist in codes at the French Embassy in Damas from 1973 to 1974, the sources added. His identity was not revealed.

French Ministry Official Was a Spy for Soviet

Agence France-Presse

PARIS — A former French Foreign Ministry official spied for the Soviet secret police, the KGB, for 10 years, but was discovered to have been an agent only after he died in September 1984, Interior Ministry sources said Thursday.

He was recruited by Soviet intelligence while he was a specialist in codes at the French Embassy in Damas from 1973 to 1974, the sources added. His identity was not revealed.

BUSINESS PROFILE

IN THE INTERVIEW SATURDAY, INDIVIDUAL CASE STUDIES OF SUCCESS AND FAILURE — WORLDWIDE

1^{re} Chambre de la Cour d'Appel de PARIS, Arrêté du 5 juillet 1985

Monsieur Jacques PALENTE, Monsieur François SIEGEL,

la société V.S.D. assistés de Maître ELOUZ Avocat

vs.

Sa Majesté REZA II PAHLAVI assisté de Maître Henri ADER

Cet arrêt confirme le jugement rendu le 1^{er} Février 1984 par le Tribunal de Grande Instance de Paris.

En ce qu'il a retenu le caractère défamatoire des imputations contenues dans l'hebdomadaire V.S.D. du 1^{er} ou 7 septembre 1983 sous le titre : "REVELATION SUR LA FUITE DE GEEL" et visant REZA II PAHLAVI,

et en ce qu'il a condamné en solidaire François SIEGEL, Philippe BERNET dit Jacques PALENTE et la société V.S.D. à payer à REZA II PAHLAVI des dommages et intérêts, ainsi que 5 000 Fr en application de l'art. 700 du N.C.P.

Porte le montant des dommages et intérêts à 25 000 Fr, condamne en solidaire

Monsieur François SIEGEL, Philippe BERNET dit Jacques PALENTE et la société V.S.D. à payer à REZA II PAHLAVI toute somme.

Les condamnes en solidaire à payer à REZA II PAHLAVI 3 000 Fr sur le fondement de l'article 700 du N.C.P.

Condamne en solidaire Monsieur François Siegel, Philippe BERNET dit Jacques PALENTE et la société V.S.D. aux dépens de Première instance et d'appel.

INTERNATIONAL HERALD TRIBUNE

PARIS, FRANCE

1987

INTERNATIONAL HERALD TRIBUNE</b

Security Expert Asserts Soviet Eavesdropping Is Greater Than Suspected

By Michael Richardson
International Herald Tribune

CANBERRA, Australia — An Australian specialist on intelligence and security matters has concluded that the Soviet Union is operating a far bigger international effort to intercept and decode military, diplomatic and commercial communications than the West suspects.

Desmond J. Ball, head of the Strategic and Defense Studies Center at the Australian National University here, said that these intercepts gave Moscow a wide range of military intelligence about the West.

"The Russians are using every platform they can get their hands on for eavesdropping," Mr. Ball said in a recent interview. "And there is really very little public appreciation of this problem in the West."

Professor Ball said that Soviet eavesdropping of U.S. embassies was only part of a much broader effort. U.S. officials, he said, believed that communications monitoring systems were situated in nearly 60 Soviet diplomatic missions abroad.

Important sites, he said, include the Soviet Embassy in Washington and the recreational complex for its Washington-based personnel at Pioneer Point, near Centreville, Maryland; the Soviet mission to the United Nations in New York, the Soviet residential building in Riverdale, New York, and the recreational complex for the Soviet UN delegation at Glen Cove, New York.

He said they also include the Soviet consulate in San Francisco, and the Soviet Embassy and trade mission in London; Soviet embassies in Tokyo, Beijing, Ottawa, Canberra, Wellington, New Zealand, Athens, Vienna, Havana, Mexico City, Managua, Lima, Buenos Aires and Beirut.

Professor Ball, a former research fellow at Harvard University and research associate at the International Institute for Strategic Studies in London, has written numerous books and papers about defense, security and intelligence.

His survey of Soviet signals intelligence systems was published recently in a 1987 U.S. handbook on electronic warfare.

In the survey, Professor Ball said that the Soviet Union probably employed about 350,000 radio intercept operators, computer processors, cryptanalysts and other personnel, a number five times larger than the U.S. electronic eavesdropping establishment.

Evidence suggested, he said, that the Soviet Union maintained more than 500 ground stations for monitoring Western communications. About 300 were on Soviet territory, more than 150 in other Warsaw Pact member states and about 50 in other countries.

This was nearly double the number of signals intelligence stations operated by the United States, Britain, Canada, Australia and New Zealand.

The five countries cooperate in gathering and sharing intelligence, especially material drawn from communication intercepts, under a secret accord, known as the UKUSA agreement, signed by the former wartime allies in 1947.

The United States maintains a number of listening posts in Australia, including the satellite receiving station in Pine Gap and the early warning ground station in Nurrungar.

Professor Ball said Soviet moni-

toring of almost the whole radio spectrum, including Western satellite relays and telephone conversations transmitted on microwave networks, were a major source of commercial intelligence for Moscow.

Intercepts of military and government communications were Moscow's principal means of surveillance and early warning, he said. They also provided "the great bulk" of Soviet intelligence about Western military activities and capabilities.

However, Professor Ball said Wednesday that although the Soviet Union had built up a much larger signals intelligence gathering network than the United States and its allies, it was hard to know whether the data were as efficiently used as the smaller volume collected by the West.

"All I can say is that the Russians are getting a lot more raw material," he said. "But their processing capacity is weaker because they lag behind the West in super-computers."

Professor Ball's survey said that outside the Warsaw Pact, the three most important Soviet signals intelligence ground stations were at Lourdes, about 60 miles (97 kilometers) south of Havana; Aden in South Yemen, and Cam Ranh Bay in Vietnam.

The 1987 edition of Soviet Military Power, released by the U.S. Defense Department on March 26, said the Soviet-manned intercept complex at Lourdes was the largest outside the Soviet Union.

The Defense Department said it enabled Moscow to monitor U.S. maritime, military and space communications as well as U.S. domestic telephone calls.

Professor Ball said Lourdes was equipped to gather telemetry from missile and satellite launches from Cape Canaveral, Florida. Satellite antennas at Lourdes were able to intercept digital imagery transmitted from U.S. photographic reconnaissance satellites, he said.

In the last few years, he added, Lourdes had also been intercepting high frequency radio traffic between the headquarters of the U.S. Central Intelligence Agency in Langley, Virginia, and CIA facilities and agents in Central America.

Professor Ball said Soviet signals intelligence sites in South Yemen provided coverage of naval and other communications in the Red Sea, the Gulf region and parts of the Indian Ocean.

Since 1980 at the former U.S. air and naval base at Cam Ranh Bay in Vietnam, the Russians have installed two powerful high-frequency direction-finding systems and a communications satellite terminal.

The terminal provides a direct link between Cam Ranh Bay, Moscow and the Soviet's Pacific Fleet headquarters at Vladivostok.

The U.S. Defense Department said the Cam Ranh Bay facility collected intelligence on China and U.S. naval activities in the region.

Professor Ball said the monitoring systems at Cam Ranh Bay could intercept messages from as far away as the joint U.S.-British military base on Diego Garcia atoll in the Indian Ocean, U.S. military installations on Guam island in the western Pacific, all parts of Southeast Asia and Australia.

While ground-based sites were the main source of Soviet signals intelligence, he said, Moscow had deployed a large number of ships, aircraft and satellites for intelligence gathering.

Professor Ball said Soviet moni-



Remy Taithe/Agence France-Presse

Architect in U.S. Describes Bugging After Discovery in '79, Russians X-Rayed Buildings

By David B. Ottaway
Washington Post Service

WASHINGTON — The United States tried to implant eavesdropping devices in apartment buildings at the new Soviet Embassy complex here, prompting the Soviet Union to take measures to protect its new embassy chancery from electronic surveillance, according to John C. Warnecke Sr., who helped to design the \$65 million complex.

Listening devices lodged in the walls of the residences were discovered in 1979. The discovery led the Russians to disassemble parts of the new chancery building, inspect minutely other parts and X-ray "each inch of steel the night before it was put up the next day," he said.

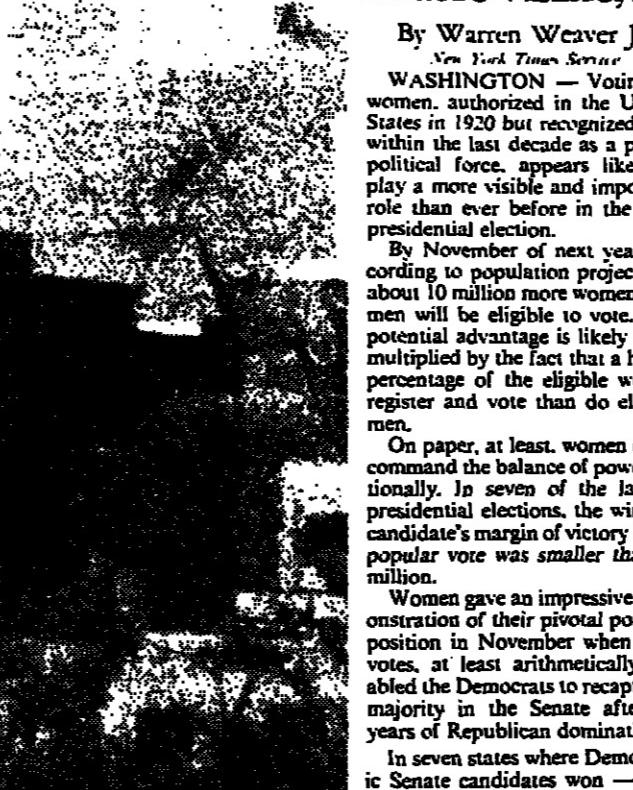
"For three months after the consulate building was finished," Mr. Warnecke said in a special report on the project, "the Soviets moved scaffolding over the entire skin of the building with X-ray equipment looking for bugs."

They also refused to accept any materials fabricated outside the building site, including all precast concrete unless it was cast on the site, he said.

The incident is a reminder amid the outcry over the new U.S. Embassy in Moscow, which is ridden with listening devices, that each side has used highly sophisticated espionage techniques to try to penetrate the other's embassies for years.

After the 1979 discovery, the acting Soviet ambassador at the time, Vladimír M. Visev, "waved around" pictures of the eavesdropping devices when he went to the State Department in January 1980 to lodge an official protest, according to press reports.

The Soviet government newspaper Izvestia asserted that the devices' "amazing acoustics" would have allowed the Federal Bureau of Investigation and the Central Intelligence Agency to hear "every sound, from a word spoken in the drawing room to a whisper in the bedroom."



dow frames taken apart, inspected and reassembled on the site.

- They insisted that marble facing be of solid two-inch (51-millimeter) thickness without any three-quarter-inch sheeting on the back because they "did not want a layer of epoxy glue between the marble that could hide a bug."

• They paid an additional \$40,000 to \$50,000 to bring in structural steel in separate phases so that every inch could be X-rayed "the night before it was put up the next day."

- They paid an additional \$180,000 to have windows and win-

Women as a U.S. Political Force

A More Visible, Key Role in 1988 Presidential Race Likely

By Warren Weaver Jr.
New York Times Service

WASHINGTON — Voting by women, authorized in the United States in 1920 but recognized only within the last decade as a potent political force, appears likely to play a more visible and important role than ever before in the 1988 presidential election.

By November of next year, according to population projections, about 10 million more women than men will be eligible to vote. This potential advantage is likely to be multiplied by the fact that a higher percentage of the eligible women register and vote than do eligible men.

On paper, at least, women could command the balance of power nationally. In seven of the last 10 presidential elections, the winning candidate's margin of victory in the popular vote was smaller than 10 percent.

Women gave an impressive demonstration of their pivotal political position in November when their votes, at least arithmetically, enabled the Democrats to recapture a majority in the Senate after six years of Republican domination.

In seven states where Democratic Senate candidates won — Alabama, California, Colorado, Georgia, Nevada, North Dakota and Washington — a majority of male voters supported the Republican candidate and only a heavy Democratic vote by women shifted the result, according to CBS News polls of people who had just voted.

In Louisiana and North Carolina, male voters divided evenly, and women again provided the Democratic margin for the winners.

In most of these Senate races, candidates were separated by only two to four percentage points. Where elections are close, any group casting more votes than the winner's margin over the loser can claim credit for the victory, and various political minorities often do. For some of these states, for example, the same claim could be made by blacks.

But the women's 1986 claim is not speculative. Assuming accurate polling of voters, the figures demonstrate that had only men voted, the court, Australia's highest judicial body, ruled invalid the warrant under which Private First Class Douglas Beane was arrested. The court said he had not committed any indictable offense in Australia.

Mr. Beane, 39, was arrested by Australian naval police, at the request of U.S. officials. Attention had been drawn to him when he applied to the U.S. Embassy in Canberra for a passport to visit his father, who is ill, in Rutland, Vermont.

The Democrats would have lost nine of their present seats and would be occupying the short end of a 55-45 Republican Senate.

Some authorities do not agree that the Democrats are likely to profit materially from the votes of women next year. Lance Tarrance, a Republican opinion analyst, said that more conservative women did not vote as heavily in midterm elections but turned out for the presidential contests. He predicted that issues involving peace and arms control negotiations would affect the votes of women next year but did not foresee such voters being influenced by economic issues such as inflation.

Mr. Tarrance said that poll takers attempt to account for the female majority in the United States by including women as 53 percent to 54 percent of the group to be interviewed.

Census figures, however, suggest that women now make up about 56 percent of those who actually vote; their voting participation in 1984 was 1.7 percentage points higher than that of men.

For many years after women were first guaranteed the right to vote by the 19th Amendment to the U.S. Constitution, analysis made little serious effort to determine whether their voting patterns were different from men's.

Ann F. Lewis, former executive director of the Democratic National Committee, said that until about 10 years ago a woman was likely to vote the way her husband did, even if her personal views on some issues differed.

With increased economic and professional independence fostered by the women's movement, she continued, "their private values have become their public values" and differences between male and female voting appeared.

Mrs. Lewis, now national director of Americans for Democratic Action, a liberal group, predicted that in 1988 women would be "the largest and potentially most important group of uncommitted voters" as well as "the largest organized sub-group" in the Democratic primaries.

Australia High Court Blocks Deportation of U.S. Deserter

The Associated Press

CANBERRA, Australia — The High Court of Australia on Thursday blocked the deportation of a U.S. marine who deserted 16 years ago during the Vietnam War and was arrested in December in Australia.

The court, Australia's highest judicial body, ruled invalid the warrant under which Private First Class Douglas Beane was arrested.

The court said he had not committed any indictable offense in Australia.

Mr. Beane, 39, was arrested by Australian naval police, at the request of U.S. officials. Attention had been drawn to him when he applied to the U.S. Embassy in Canberra for a passport to visit his father, who is ill, in Rutland, Vermont.

The United States had sought his extradition on charges of desertion. He was freed on \$13,000 bail pending the High Court's judgment.

The United States has appealed for the extradition of Mr. Beane, said Arthur Lefkowitz, a spokesman for the U.S. Embassy in Canberra, Agence France-Presse reported Thursday.

"We are going to pursue whatever we can do to get the Australian government to turn Mr. Beane over to us, to return him to the U.S.," Mr. Lefkowitz said.

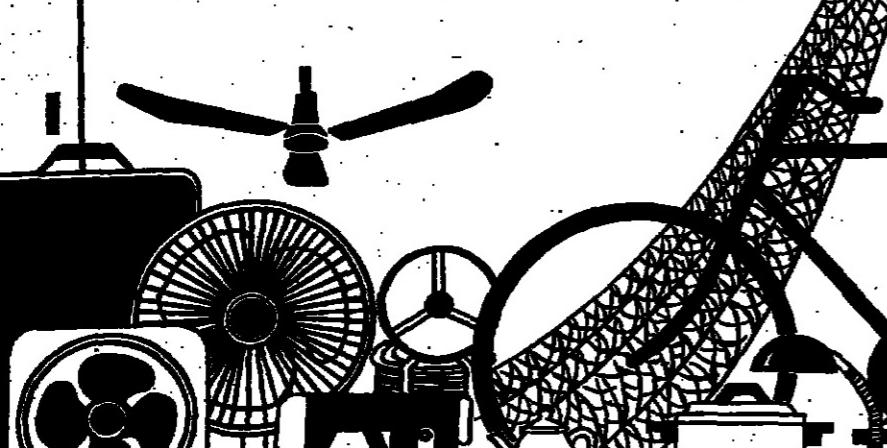
Mr. Beane is married to an Australian and has two children.

Mr. Beane's lawyers argued that the Australian defense minister, Kim Beazley, had no right to order Mr. Beane's arrest under the Defense Act.

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OPINION

INTERNATIONAL Herald Tribune
Published With The New York Times and The Washington Post

An End to Their Limbo

By apt chance, Secretary of State George Shultz will arrive in Moscow next week just in time for Passover, and he plans to celebrate the Jewish feast of deliverance at a seder with Soviet Jews. What better time for Mikhail Gorbachev to amplify on hints that his government will agree, finally, to let an estimated 11,000 Jewish "refuseniks" escape limbo and leave the Soviet Union?

Pre-Gorbachev, the Soviet attitude was blunt indeed. Ethnic minorities were used as human commerce, their basic right to emigrate bartered to improve Soviet public relations. For all his *glasnost*, Mr. Gorbachev acts out of interest too. If the hinted-at releases materialize they will be for calculated advantage, perhaps to further warm his image in America. But even so they would deserve a welcome, and positive response.

The place to start is by looking afresh at that relic of the Brezhnev era, the Jackson-Vanik amendment. That legislation, overwhelmingly voted in 1974, required that most-favored-nation trading benefits be allowed to Communist countries only if they permitted free emigration of dissidents. In practice, the amendment may have helped mainly in Romania.

There surely have been ups and downs in Soviet emigration, but these correlate with Soviet-American relations generally. The first big outflow came in 1971, when 13,000 Soviet Jews departed. In the next two years the totals rose to 32,000 and 35,000, increases that coincided with the signing of the first strategic arms treaty, a major wheat deal and talk of more trade. In 1974, when Jackson-Vanik was voted with the hope of increasing emigration, departures fell to 21,000. The trickle continued: 13,000 in 1975, 14,000 in 1976, 17,000 in 1977.

With the signing of another wheat deal, the outflow jumped to 29,000 in 1978 and, with the second strategic arms treaty, to a record peak of 51,000 in 1979. Then came the Soviet invasion of Afghanistan and an American wheat embargo: The exodus fell to 21,000. With Ronald Reagan's victory and a renewed arms race, annual Jewish migration dwindled to less than 1,000.

Hence there was considerable skepticism last winter when Soviet officials claimed that new procedures would make emigration easier—and surpass when 470 visas were granted to Soviet Jews in March, the highest monthly total in six years. Then last week came vague Soviet assurances to U.S. Jewish leaders that by year's end visas would be given to most of the refuseniks, the Jews who applied years ago to leave for Israel.

These hints have to be taken with caution. They have already been officially denied. But suppose Jewish departures continue to increase, rising to, say, 2,000 a month. Recognizing that the Soviet purpose is to wring maximum benefit from meager concessions, the relaxation should nonetheless occasion a favorable American response.

One such response would be to relax the Jackson-Vanik amendment. Whether or not it has affected Soviet behavior, relaxing it could offer a positive, approving gesture—and helpful, at the margin, in spurring Soviet exports to reduce a \$600 million trade deficit. The legislation itself permits the president to waive its penalties, given progress toward freer emigration.

The refuseniks live in a hollow limbo, untouchables who are publicly reviled and permitted only menial work. Passover would be a resonant time to let these people go.

—THE NEW YORK TIMES.

Too Much Talk About Free Trade And Not Enough Hard Thinking

By Gregory Clark

TOKYO — The current American and Western outrage over Japan's trade policies, or the policies of Taiwan and South Korea for that matter, is totally understandable. These Asian countries use exports as a blunt instrument for economic expansion. They protect their own markets while invading those of others. They exploit the commitment of others to free trade. They are often devious and duplicitous in the process.

But isn't the West mainly responsible for this mess? Free trade is only meaningful between nations with the same level and rate of growth. Between rich and poor nations it simply serves to freeze the status quo.

The moment nations like Japan, Taiwan and South Korea decide they want to catch up with and even overtake the rest of the world, free trade becomes meaningless. The dynamics of increasing returns to scale mean they have no choice but to go invade other people's markets while they protect their own. If they do not, they will be tied forever to inferior status.

This, after all, is how the Western economies got their early start a century or so ago. They used various devices to capture markets in the backward nations and were branded imperialists as a result. Today some of those once-backward nations rely on various devices to capture markets in the West. Reverse imperialism!

There is another reason why free trade is meaningless and it is called exchange rates. Only four years ago the U.S. dollar traded for around 260 yen. Today it is 145 yen. If the present rate is the correct one, then four years ago all U.S. exports to Japan were being taxed at the rate of 75 percent subsidy. Was that free trade?

Even at 145 to the dollar, the yen is still undervalued, thanks to the huge outflow of capital from Japan to the United States. So the United States is still taxing its exports to Japan and subsidizing imports from Japan. Many of the newly industrialized countries, especially South Korea, have been even more ruthless in using exchange rates to promote exports.

If the weapon of imperialism was the gunboat, the weapon of reverse imperialism is the undervalued currency.

Given all this, the Western economies should have decided long ago where they were going and how they were going to get there. Most have hoped optimistically that the principles of free trade would begin to work once Japan and the newly industrialized Asian nations began to approach Western levels of development.

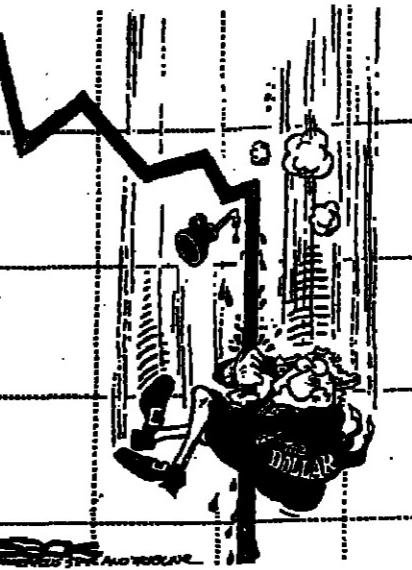
But that ignores the much stronger industrial dynamic found in these nations. The fact is that there is not a single area of advanced technology in which Japan could not outproduce the West, once it made up its mind to do so. Free trade fully applied would leave the West without any advanced manufacturing. It would be an exporter of exotic services and knickknacks to Japan, and to the rest of the world.

In this situation the West has only two choices. One is to put much greater pressure on the currency of the "reverse imperialists" to ensure that exchange rates do at least give the more efficient Western exporters a chance. In Japan's case, a rate of 120 yen to the dollar is probably needed to give true export-industry parity.

The West must also make a hard decision whether it seriously wants to retain a manufacturing sector. If it does, as it should, then it should begin immediately to select the industries it wants to retain and the policies needed to retain them. If this requires some protection then so be it. Selective tariffs, quotas and subsidies to assist chosen industries beats the across-the-board taxes and subsidies imposed by arbitrarily fluctuating exchange rates any day.

But will this not allow domestic producers to become lazy? Not if domestic markets are large enough to allow governments to force competition between domestic producers, as is the case in the United States and the European Community.

True, even if domestic producers do their best it is unlikely they could match the productivity of the Japanese, and even the Koreans or Taiwanese in some products. But all that means is that



the West accepts, knowingly, that in manufacturing goods its economies are going to be, say, 10 to 20 percent less effective than its rivals.

But economies do not live by manufactures alone. A much larger component is services, where the West is still much more efficient than Japan. Add the food sector, where Japanese inefficiency is notorious, and there is no reason why Western living standards need fall behind Japan.

In the name of free trade, however, many of the Western economies are letting their manufacturing sector fall apart. They are losing the fine network of skills, machine tool industries, repair shops and so forth that make up the all-important industrial base. They are deindustrializing, in the very worst sense of that word.

Instead of ending up only 10 or 20 percent behind their rivals, they face the prospect of being 100 percent behind. They will be saddled, as well, with massive unemployment, and all because of their slavish adherence to an economic dogma that never had much relevance to the real world, or Asian industrialization.

A century or so ago the Western greed for overseas markets blocked the industrialization of others, fatally in some cases. Today the West looks on passively as it loses its own industrial base. Marx and Lenin would be dumbfounded.

International Herald Tribune.

Patching Up The 'Hole' In the Sky

By Michael Oppenheimer and Daniel Dudek

NEW YORK — Strange events in Antarctica, straight out of science fiction, have grabbed the attention of scientists and world leaders. The stratosphere's ozone layer, which screens living things from damaging ultraviolet rays, has been thinning dramatically during the southern spring — the beginning of what some scientists suspect is a worldwide decay of the Earth's ozone covering.

Against the haze of scientific uncertainty that surrounds this seasonal "hole" in the atmosphere, one question stands out clearly: Can governments take coordinated action to protect the stratosphere and avert the risk to life on Earth?

Ozone, a special form of oxygen, reaches high concentrations 12 miles (19 kilometers) above the Earth, where it long had appeared immune from human intervention. But the emission of industrial chemicals, particularly so-called chlorofluorocarbons, was identified as a threat to ozone in the early 1970s. Chlorofluorocarbons stay intact until they drift into the stratosphere, where they disintegrate. Their fragments destroy ozone, and less ozone means more ultraviolet radiation reaching Earth.

The consequences of even modest increases of ultraviolet rays are disturbing. Such radiation causes both malignant and nonmalignant skin cancer. Continuation of the existing global emission levels of chlorofluorocarbons could result in an additional 1.4 million cases of skin cancer in less than 40 years in the United States alone. By the year 2075, 40 million Americans would be affected, and fatalities could exceed 800,000, according to a study by the Environmental Protection Agency. These figures, of course, represent only a small portion of the number of people who would be affected around the world.

Ocular impairment, damage to the immune system and increased air pollution are all triggered by increased ultraviolet radiation. In addition, millions of dollars of damage to crops, forests and building materials would be inflicted yearly.

Even a partial catalogue of these horrors was sufficient to spur Congress to ban chlorofluorocarbons in aerosol spray cans in 1978. That caused a temporary decline in emissions. Most European countries, by contrast, acted only to prevent construction of new plants that produce this chemical — a move resulting in no appreciable emission reduction.

Still, the use of this chemical in refrigeration, automobile air-conditioning, foam plastic and solvents is on the rise in America and abroad, and emissions are again at record amounts and are climbing.

The new findings from Antarctica suggest that these emissions are causing ozone depletion faster than previously thought possible. Other observations suggest that ozone loss is occurring in the Northern Hemisphere as well. If these hypotheses are borne out by further research, the old projections of harm, as bad as they were, would pale in comparison to the new picture. This is one risk that is definitely not worth taking.

Fortunately, a remedy is at hand. A bite of foam-packed fast food need not mean a chunk out of the ozone layer.

Harmless substitute materials for many uses of chlorofluorocarbons already exist. Where a substitute cannot be found, we can largely capture and recycle the harmful gases.

Industry officials have indicated that adequate substitutes could be available within five years. Severely limiting the supply of chlorofluorocarbons would provide an incentive to develop alternatives. The EPA, which soon plans to issue strict guidelines for limiting the use of chlorofluorocarbons, should hold the industry to a five-year schedule for near-total elimination of emissions. The United States could set the pace for all countries to develop alternatives.

The ozone layer cannot be saved without international cooperation. About two dozen countries have been discussing limitations of chlorofluorocarbons in a desultory fashion since 1980, but recent reports from Antarctica seem to have shaken most of them from general indifference to the problem. The European Community should now join America in phasing out emissions of chlorofluorocarbons over five years. Gradual ozone loss has been sufficient reason to act. The forthcoming ozone hole over Antarctica adds a note of urgency.

Michael Oppenheimer is senior scientist, and Daniel Dudek is senior economist, at the Environmental Defense Fund in New York. They contributed this to The New York Times.

Gorbachev Should Let History out of the Storeroom

By William Pfaff

MOSCOW — "In Russia, history forms part of the domain of the crown; it is the moral property of the prince, just as the people and the land are his material property; it is kept in the storeroom along with the imperial treasures and only that part of it which the ruler wishes to make known is displayed. The memory of what happened yesterday is the property of the Czar; he alters the annals of the country according to his own good pleasure and dispenses, each day, to his people the historic truths which accord with the fiction of the moment ... Yet, this exorbitant power is hurting itself; Russia will not submit to it forever ..."

The writer is not speaking of the time of Stalin, that latter-day czar, nor is Orwell writing about the rewriting of history and the Memory Hole. It is the Marquis de Custine, a French traveler and journalist, writing about the Russia of 1839. He describes the central reality of what is going on in the Soviet Union today under Mikhail Gorbachev.

Glasnost — openness, or "honesty" — ultimately implies telling the truth about what really has happened to the Soviet Union under 70 years of Communist Party rule. For people do not forget. A mass murder during the Civil War or the agricultural collectivizations may have no documented existence, and no one may have openly spoken of it for more than a generation, but a peasant will nonetheless show you the grave.

Sons know that fathers knew. People here say that one result of Mr. Gorbachev's campaign is that fathers for the first time are speaking to their sons of certain things. Mr. Gorbachev is not acting to please the liberal-minded. The past, the Russian past, belongs to conservatives and nationalists as much as to liberals. Mr. Gorbachev chiefly needs the support of the new administrative and scientific intelligentsia that has grown up from the wasted ground of Stalinism, purge and war.

He needs the people who have worked abroad and recognize the

scale of the country's contemporary failure. Such people understand that Mr. Gorbachev offers Soviet Russia the country's one real chance to become that success which decades of lies have said that it already is.

He must have the younger élites. As for ordinary people, he cannot risk either a lowered standard of living or a threat to the egalitarian, communistic assumptions that serve, in Soviet society, to compensate for its discomforts and material disadvantages. A figure in the governing élite remarks that it is essential for Mr. Gorbachev that living standards tangibly improve in the next three or four years — nothing dramatic, simply more oranges and fresh vegetables on sale in Moscow and Leningrad in winter, a slightly shorter wait for a refrigerator or a washing machine.

There is concern that while one may admit, in the name of "openness," that concealed unemployment exists in the Soviet economy, it is something else to begin to get rid of unnecessary or unproductive people. One can encourage individual or "cooperative" enterprises — restaurants, private taxis, workshops, private services of one kind or another — but what if these people start making more than other people, and conspicuously displaying what they have?

Thus the hesitations evident today. Long-suppressed books are published, but they are hard to find in bookshops. Joint ventures with foreign companies are sought, but Western embassies still cannot find out what the rules are. A chauffeur who wants to set up a private taxi operation still cannot track down what he is supposed to do, how he will be taxed, what papers he needs.

The comparison is made between what is happening today and Russia's 19th century, when a liberal intelligentsia demanded emancipation for the serfs, an end to censorship, a more representative government. That was a difference, of course. The serfs were eventually freed; a form of parliament was eventually established. But, overall, reform was not a success.

The reforming czars, Alexander I and II, started off well and then became frightened and turned the country back to reaction and isolation. Reform never was quite enough to keep up with the need for it. Thus Russia was the place where nihilistic terrorism and violent anarchism emerged — reactions to political impasse.

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International Herald Tribune.
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IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Reckless Drivers

NEW YORK — With two persons killed [on April 7] and two [on April 6] by automobiles in the streets of this city, general indignation is stimulating the city magistrates to urge more stringent laws. During 1911, 142 persons were killed and 1,031 injured. So far this year, 46 persons have been killed and 238 injured.

The Herald says: "With a clear law and judges to do justice, we can bring down the death toll to 20 or 30 a year."

They travel to and from Western Europe on the growing number of airlines that circumvent prohibitions on direct air links to the unrecognized country by "connecting" to a flight from Turkey — usually by touching down briefly at a Turkish airport.

Mr. Denktash agrees that the north has gotten used to separation. He insists that "we are not calling for recognition of the north" from other countries, yet predicts that "it will come eventually anyway, because in the middle of Europe there cannot be a stateless, unrepresented people."

The writer is a member of the Washington Post editorial page staff.

1937: Ford vs. the Union

NEW YORK — The anticipated bitter struggle between Henry Ford and John L. Lewis's Committee for Industrial Organization got under way today [April 9], with organizers of the United Automobile Workers openly campaigning for unionization in the Ford plant in Kansas City. This is the first ever to be declared in a Ford factory, was staged earlier in the plant this morning wearing union buttons.

In answer to Mr. Ford's statement yesterday that workers joining the union "would get it in the neck, like the turkey," union leaders shouted, "Henry is going to get it in the neck." Taking the whole United Kingdom, horse-drawn vehicles were responsible, last year, for 684 fatal accidents as against 655 in 1910, and automobiles for 873, against 672.

International Herald Tribune.

Progress on Acid Rain

Americans do not really like quarrels with Canada, and President Reagan had several reasons for going beyond his script in Ottawa when he talked about acid rain. One was to keep that dispute from souring all the other business between the two countries. Another was to give a hand to a fellow conservative, Prime Minister Brian Mulroney, who has fallen low in the polls. Because Canadians sometimes accuse him of accommodating the United States too easily, he had been pushing Mr. Reagan hard on acid rain. Mr. Reagan wisely chose to respond positively, promising to go beyond his previous non-committal and at least consider a binding agreement.

Congress prohibited covert operations in Nicaragua by intelligence agencies. The administration violated this ban by claiming that the NSC staff was not an intelligence unit under the law, and by running the

administration seems by have decided to give the subject a higher priority. There is a good deal of suspicion on this point among the people who take the Clean Air Act seriously and who cite Mr. Reagan's past record on environmental issues. But it is beginning to look as though, for the first time in six years, the administration is ready to move on acid rain.

Canada wants both countries to pledge to halve the emissions that cause acid to form in rain. That would be expensive. In terms of sulfur dioxide alone — the major component of acid rain — it would mean cutting emis-

—THE WASHINGTON POST.

Other Comment

AIDS: Some Heartening News

Almost lost in the debate over what, if anything, should be taught about AIDS in the schools was the good news about an American-French accord on AIDS research. A nasty spat over who should receive

OPINION

Raoul Wallenberg: Perhaps Now the Russians Will Tell

By A.M. Rosenthal

NEW YORK — For 42 years the mystery of the fate of one soaring man has haunted men and women all over the world, not letting them rest. Raoul Wallenberg, savior of thousands of Hungarian Jews, disappeared into a Soviet prison in 1945, but never vanished from memory.

Soviet governments have been hiding the story of Mr. Wallenberg ever since he fell into their hands. It took them 12 years

ON MY MIND

to admit that they had imprisoned him, and then they said that he had died in jail. And though Mr. Wallenberg was seen in Soviet jails from Moscow to Siberia years and possibly decades later, they have refused to say an additional word.

Why bring this all up now? Quite possibly he is dead; nobody has reported seeing him for eight or nine years at least. What does it matter in which year he died and in which cell?

One reason is respect. He never has left the minds of millions. People pay respect in their own ways to this lanky young Swede who went to German-occupied Budapest in 1944 to save Jewish lives and did, because he refused to understand that he could not.

A congressman gathers signatures for a House petition keeping the case alive, a writer whose parents were arrested in Budapest writes a biography, committees all over the world meet to talk about him.

And now, perhaps, there is another reason. Will Mikhail Gorbachev, who speaks of a new day for his people, decide that it is in the interest of his country to order the truth told? That would do honor to him and to the memory of Mr. Wallenberg and all Christians who risked their lives to save those who wore the yellow star.

Mr. Wallenberg was of a great Swedish family. He was not quite 32 when he was asked by U.S. representatives in Stockholm to try to save the lives of some of the Jews of Hungary, being slaughtered by the scores of thousands by the German Gestapo and by Hungary's own murderous fascists.

Nobody told him how to do it because nobody could imagine how, except for the wishful possibility that Swedish neutrality, diplomatic status and some funds from American Jews might be combined to save a few Jews from death.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

It is difficult to comprehend what this one man did. He distributed thousands of Swedish passports, housed and fed Jews in buildings he bedecked with Swedish flags. He threatened, bluffed, bribed, haggled.

He marched up to the very death lines, snatched Jews from under the clubs of guards. He faced down the killers, including Adolf Eichmann, the engineer of death.

"Ich bin Wallenberg," he declared, gently to Jews, fiercely to German and Hungarian Nazis.

Mr. Wallenberg saved thousands upon thousands. There was suddenly in this young Swede a power of compassion that produced a strength beyond himself or understanding.

In January 1945, Mr. Wallenberg crossed over to the victorious Red Army to get help. A Soviet general immediately sent a dispatch informing Moscow.

Mr. Wallenberg disappeared. Two years later the Russians said that he had never been in the Soviet Union. But in 1957, faced with world pressure for Mr. Wallenberg, the Kremlin said yes, he had been in Soviet jails but died 10 years earlier and the doctors and wardens involved were dead too and the body cremated.

The Russians so far have refused to budge in the face of documented evidence that Mr. Wallenberg was seen in prisons of the vast Gulag for years. Some place the last sighting in the late '70s. Kati Marton, the journalist and novelist, tells the story best in "Wallenberg," published by Random House.

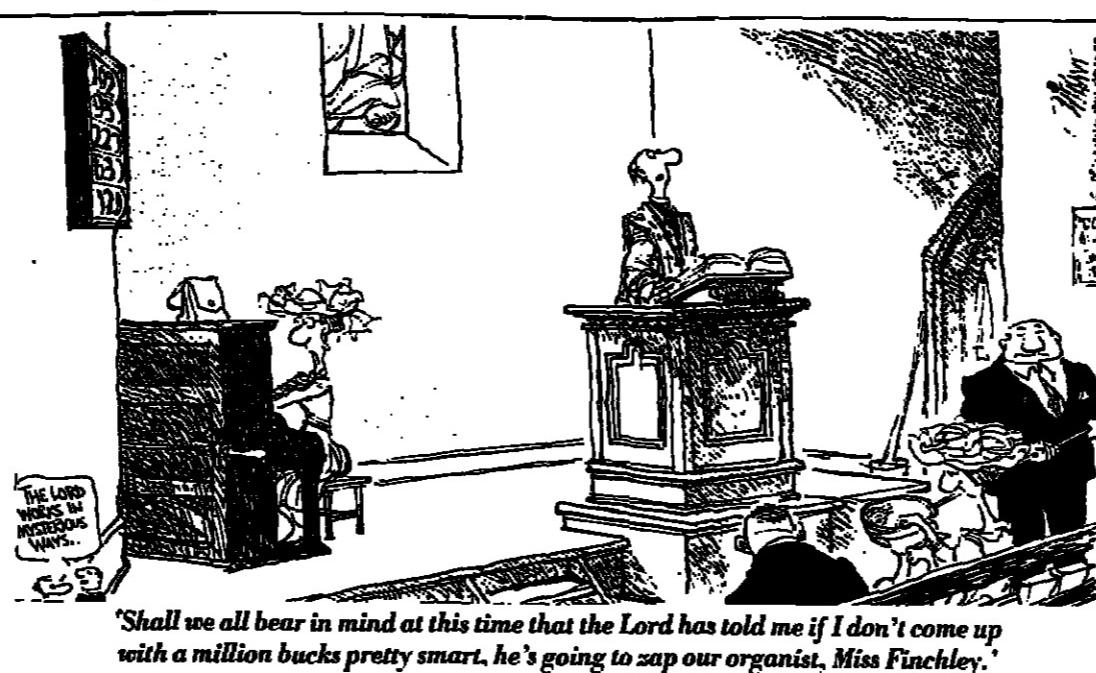
The quest goes on. Swedish officials keep bringing it up with Soviet leaders; nothing. Representative Tom Lantos, Democrat of California, whose wife was a child in Budapest and owes her life to Mr. Wallenberg, has collected 110 House signatures for an appeal to Mr. Gorbachev. Year-round committees meet.

Why did the Russians keep him? At first perhaps they thought that he was a U.S. agent, then that he would be useful as a hostage. Then his very existence became an embarrassment to the Soviet Union, something to be hidden.

In the Kremlin, there is a living link to Mr. Wallenberg. Andrei Gromyko, a Soviet foreign minister, signed that note in 1957 saying that Mr. Wallenberg was dead, but he carefully chose words that implied that the finding could be changed. Mr. Gromyko now is president of the Soviet Union. He knows.

And Mr. Gorbachev knows and can tell the world whether Mr. Wallenberg still lives. And if Mr. Wallenberg does not, Mr. Gorbachev can say in what manner, year and cell the Swede of the Jews died. It is important for all people to know, particularly Russians.

The New York Times



LETTERS TO THE EDITOR

Aegean: A History of Problems, but Not Answers

Regarding the two reports by Alan Cowell, "Greece-Turkey Dispute Over the Aegean Eases" and "Behind the Greece-Turkey Dispute, a Failure to Communicate" (March 30):

United Nations Security Council Resolution 395 asked Turkey and Greece in 1976 to refrain from actions that would increase tensions in the Aegean and to enter into direct negotiations over the Aegean dispute in order to arrive at mutually agreeable solutions.

The International Court of Justice at The Hague, in its order of Sept. 11, 1976, defined the Aegean continental shelf beyond the territorial waters of Turkey and Greece as "areas of dispute" to which both Turkey and Greece claimed rights of exploration and exploitation.

Turkey and Greece signed the Bern Agreement on Nov. 11, 1976, which incorporated the two basic elements of the Security Council resolution.

Greece broke off negotiations with Turkey in 1981 after the government of Andreas Papandreou assumed office.

Despite repeated Turkish requests, it has refused any dialogue with Turkey. Illegally and arbitrarily claiming the entire Aegean, the Papandreou government continually asserted that Greece would persist in its activities in violation of the North Aegean Petroleum Corp. Turkey decided to take countermeasures to protect its rights and interests in the Aegean only after it became evident that Greece would persist in its activities in violation of the Security Council resolution and the Bern Agreement.

Therefore, the recent crisis in the Aegean is the outcome of a series of Greek actions undertaken over the past two years. Ignoring these facts, the reports misrepresent the causes of the tension.

FAIK MELEK, Ambassador of Turkey, Paris.

Regarding "A Statesman Is Needed for Greece" (March 31) by Flora Lewis:

Who is threatening whom is demonstrated by the bizarre Turkish doctrine that the Greek islands have no continental shelf of their own, being simply fixed on the Turkish continental shelf. The rules of international law, both conventional and customary, are very clear on the subject, but appear to have no meaning whatsoever for the Turks.

The writer says: "Turkey is a big country, now with a population of 50 million facing a small country, Greece, which has 10 million." Furthermore, the well-

equipped, well-trained Turkish Army is more than three times bigger than Greece's. These words disturb me. They imply the predominance of numbers and military strength over the rule of law.

ATHANASIOS PETROPOULOS, Geneva.

Admittedly, Mr. Papandreou has created a multitude of problems for his NATO allies and in so doing has involved our nation in dangerous brinkmanship. Without any doubt, he has used our country's foreign policy to promote more domestic political goals. The United States and NATO, which clearly discern the prime minister's aims, have no other effective way of neutralizing Mr. Papandreou than by pressuring Turkey to show flexibility on the demarcation of the Aegean continental shelf, and on the creation of a federal state in Cyprus that will be strong enough to avoid being absorbed by Turkey, something our eastern neighbor clearly has in mind.

This is not giving in to blackmail. It is common sense and willingness to act. A festering dispute inevitably produces an explosive situation. One need only think how much better the chances for a settlement of the Palestinian problem would have been in the years immediately after 1948 and up to the mid-1960s if only the international community had looked seriously and decisively into that matter.

S.P. MAVRIKIS, Athens.

Where were NATO and our allies when the Turks invaded Cyprus, capturing half of the island in 1974, and where have they been for the last 13 years while the Turks have continued to hold it?

TOLIS PAPPAS, Thessaloniki, Greece.

Four Decades Battling Hitler And Still No Peace of Mind

By Laurence Goldstein

ANN ARBOR, Michigan — In a recent book of poems about the holocaust, William Heyen recalls that his German parents took him to the Volksfest on Long Island every summer just after World War II. He remembers his delight at the stands of smoked eel and loaves of dark bread, and the nostalgic

MEANWHILE

talk about the North Sea, the Rhine, the Black Forest. He also remembers that

all those years there was one word I never heard, one name never mentioned.

The name of course was Adolf Hitler. My experience was the opposite. As a Jewish child growing up in Los Angeles, I, too, went to family and ethnic picnics after the war, but there the name, the word, was more than mentioned; it served as a common obscenity, a mysterious fragment of ongoing lamentations over the Jewish condition. To any mention of war, the response was simple: "The Germans are monsters, devils."

The history lessons of my childhood were so thoroughly steeped in the language of folklore that no explanation since of history's dynamics as a political science has seemed credible.

What form could my education take, then, but a gradual coming to terms with those monsters in my imagination? I gravitated toward literature as a discipline that could help to account for the mythic presences of my childhood. Hitler above all.

Mine has been the generation charged with the responsibility of understanding Hitler, and God knows we have tried. On the one hand is the argument that if we imagine the Nazis as not human, as devils, then we are guilty of their worst crime: the denial of humanity to the Jews. The first writers on Nazism insisted, in the words of the psychoanalyst Erik Erikson, that "it is our task to recognize that the black miracle of Nazism was only the German version ... of a universal contemporary potential." The humanizing of Hitler has led to what Saul Friedlander calls a new discourse about Nazism, characterized by "the more and more frequent display of a Hitler who is Everyman."

It may comfort us temporarily to cut Hitler down to size. We may find ourselves poking fun, as Charlie Chaplin and Mel Brooks have done, at his goofy gestures and delusions of grandeur; nevertheless, tens of millions died on his commands. As Alvin Rosenfeld has argued in his book "Imagining Hitler," writers and filmmakers have consistently distorted the personality of Hitler to produce a more attractive figure.

At the same time, the merchandising of Nazi mementos and imagery has been

come a flourishing business worldwide. All of this has contributed to a renewed cult of the charismatic Führer, one with dangerous implications. Resurgent antisemitism and hostility to the state of Israel are the most obvious effects of the indulgence in what Susan Sontag sarcastically calls "fascinating fascism."

Unfortunately, the question "How shall we understand Hitler?" cannot easily be separated from another question, "How shall we use Hitler?"

On the political right, there has been a deliberate use of World War II and the holocaust to frighten the public into support for militant anti-Soviet policy. On the assumption that Hitlerism is now and forever something foreign, usually Russo-European, scenes of totalitarian persecution, invading shock troops, mass imprisonment and mass executions are featured continually in some elite journals of opinion and the popular media as prophecies of the likely effects of détente.

A different use is suggested by Mother Teresa's comment after being asked when she began her work of relief and care for abandoned children: "On the day I discovered I had a Hitler inside me."

New uses for Hitler arise with every turn of history's pages. Staying one way and another by last year's events — President Ronald Reagan's visit to Bitburg, the election of Kurt Waldheim as president of Austria, the Soviet imprisonment and release of dissidents, the flux of good and bad news from the Middle East — I return to the subject of Hitler with increasing confusion. Is there a Führer at large in the world today? Or two? Or a multitude? This evil figure has so saturated the outlook of Jews like myself that his words and deeds seem to show up everywhere. Such is the ironic fulfillment of my quest to demythologize those "monsters" and "devils" that haunted my elders.

In his book of dramatic monologues, "The Führer Bunker," W.D. Snodgrass gave Hitler a final satisfied speech as he chews his poison capsules:

I pick my time, my place ...
and once more I
Am winning,
winning,
winning ...

Once I would have understood this speech of triumph as pure madness. But I see better now what the poet means. The historical Adolf Hitler died in the bunker, but like a vampire he rises again and again to take his revenge. Every day since April 30, 1945, we have struggled with the memory of this man, and with his potent assault on our humanity.

The writer is a professor of English at the University of Michigan, where he edits the Michigan Quarterly Review. He contributed this to the Los Angeles Times.

GENERAL NEWS

Turkey Breaks Silence on Kurdish Rebels

By Jonathan C. Randal

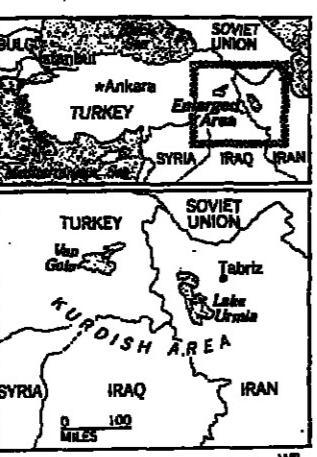
Washington Post Service

ANGARA — When Turkey's military chief of staff spoke last month to a Turkish magazine about this country's long-running Kurdish insurgency, he suddenly opened for public discussion an issue that has been taboo for more than 60 years.

General Necdet Uruk broke an official silence on the insurgency in a 13-page cover story in the weekly *Yeni Gundem* that discussed the militant ethnic Kurds, who have been fighting for political autonomy in southeastern Turkey. The magazine was eventually banned in Istanbul but not before most of its 15,000 copies had been snapped up from newsstands.

The interviews with General Uruk and other top officials appeared to reflect new confidence by Turkey's once-censored press in dealing with delicate issues. It also seemed to indicate a growing belief in parts of the Turkish establishment that public discussion of the Kurdish issue runs little risk of weakening the government. In the article, a retired lieutenant general, Nezhat Bozogray, criticized decades of government efforts to play down the Kurdish problem, saying that "keeping the subject secret is of no use whatsoever."

General Uruk compared the latest in a century of Kurdish insurgencies to France's problem with Corsican nationalists, Spain's with the Basques and Britain's with the Irish Republican Army. He concluded: "It's an illusion to think we're going to get rid of this problem overnight."



The government has long tried to deny the existence of the Kurds, who are thought to comprise 20 percent of Turkey's 51 million people. Only weeks before the magazine article, Ibrahim Tatli, a pop singer, was indicted for singing songs in Kurdish at a concert. Last year, census takers were prosecuted for following instructions and listing Kurdish among the languages that Turks were asked if they spoke.

As the article emphasized, the insurgents remain active. The Kurdish Workers' Party, with headquarters in neighboring Syria, has been fighting the Turkish government since August 1984 by ambushing Turkish soldiers and isolating guardposts. Recently, however, it appears to have escalated attacks on civilians.

Turkish warplanes have attacked the party's camps over the border

in northern Iraq, most recently on March 4 in reprisal for the killings of 14 villagers in Hakkari Province, which borders Iraq and Iran. The Kurdish Workers' Party struck back, killing nine children and an adult in raids against Kurdish villages near the Syrian border.

So far this year, 42 civilians have been killed by Workers' Party gunmen. Many of the victims have either been villagers armed and paid by the government to fend off the rebels, or the villagers' relatives. The civilians are caught between the Workers' Party and the government, which often accuses them of harboring "traitors" at night when the Turkish Army withdraws to its barracks.

The Workers' Party's new tactics reflect its failure to fight its way out of the mountains along the border and renew its onetime hold on towns and cities, according to military analysts. In the years before Turkey's armed forces seized power in September 1980, the Kurds and other parties controlled large areas of Diyarbakir, a provincial capital north of Syria regarded as the unofficial capital of Turkish Kurdistan. They declared "people's free zones" in southeastern Turkey in which they controlled and taxed traffic and held substantial political control.

After the military's takeover, however, mass arrests and trials of Kurdish militants forced the party to start from scratch.

Even though they do not fear military gains by the Kurds, senior Turkish Army officers worry at their inability to stamp out the insurgency, experts said.

EUROPEAN TOPICS

Private TV Stations Proposed by Spain

The Spanish government has approved a bill that would authorize private television stations and put an end to the state's monopoly. It calls for the creation of three national private channels in addition to the two existing state-controlled national channels and one regional channel. The main media companies, which are the leading candidates to acquire private television networks, and opposition politicians have criticized the bill as being too restrictive. A parliamentary debate is expected this fall.

The bill contains several measures to prevent the concentration of capital in private stations. No single company or person would be allowed to control a stake exceeding 25 percent of a channel, and the participation of communications chains would be limited to 15 percent. There would be a 10-year, renewable limit on the concession for each channel.

The measure would require 40 percent of production and programming to be in Spanish, of which 10 percent must be the channel's own production, and 50 percent of the films shown must originate within the European Community.

Culture Minister Javier Solana Madariaga said the bill was designed to encourage "informative pluralism in our country," but the media companies objected to the limited number of stations and the restrictions on participation. The Madrid daily *El País*, in an editorial, said it showed the government did not see "freedom of expression as a right of the citizen but as a gift from the rulers."



George Pritchard, a former anti-nuclear campaigner with the Greenpeace environmental group, as a consultant for a consortium working on methods for disposing of nuclear waste underneath the seabed. The men have been accused by their activist former colleagues of selling out to the enemy. Mr. Seale said they were being "realistic" by encouraging greater openness within the part of industry and helping to study solutions acceptable to both sides.

Around Europe

Dutch brothels have been legalized with the abrogation in Parliament of a 1911 law that banned brothels and pandering. Despite the law, neighborhoods such as Amsterdam's red light district, where prostitutes advertise themselves openly in ground-floor windows, have been tolerated for centuries. It will be up to city authorities to decide where brothels should be located. The new legislation permits setting standards for public order and for the health and safety of clients and prostitutes. The measure legitimizes a business that has an estimated yearly revenue of 1 billion guilders (about \$485 million). Dutch prostitutes and pimps are estimated to evade taxes of 250 million guilders annually.

In the latest crackdown on "franglais," the intrusion of English into the French language, the French government has issued a list of 98 French economic terms to be used "compulsorily" — by the administration at least — instead of English words. Marketing will be "mercantile" from now on, to be carried out by a "mercatilien" or "mercantienne." Fixing has been translated as "fixage" and offshore has become "extra-

Bomb Kills 3 In Botswana Amid Fear of Raids on ANC

By William Claiborne
Washington Post Service

JOHANNESBURG — A powerful car bomb exploded Thursday in a residential neighborhood in Botswana's capital, Gaborone, killing three persons and touching off fears of a renewal of cross-border attacks by South African security forces against African National Congress guerrillas.

Botswana's state radio said that a car with South African registration plates blew up about 2 A.M. in a poor neighborhood in western Gaborone, killing an elderly woman and two children, one 7 years old and the other 9 months old. They and four adults who were injured in the blast were all Botswanan citizens, government officials said.

The explosion occurred only hours after South Africa's foreign minister, R.F. Botha, warned Botswana and other neighboring black African states that armed ANC guerrillas were on their way to South Africa to disrupt the May 6 whites-only election for Parliament, and that security forces would "take whatever steps are necessary to retaliate and to protect our borders."

South African officials have used similar terminology in the past before making pre-emptive cross-border strikes against suspected ANC guerrillas in neighboring "front-line" states. Last May 19, Pretoria conducted simultaneous attacks by commandos, helicopters and warplanes on the capitals of Botswana, Zimbabwe and Zambia.

The other front-line states are Mozambique, Tanzania and Angola.

In Gaborone, two car bombs exploded shortly before another South African raid in 1985, in which 12 persons were killed. That attack was preceded by South African warnings to Botswana about harboring ANC guerrillas.



In Moscow, Ivan Miroshkin, left, a security expert, detailing spy devices that were allegedly found in Soviet facilities in the United States. Boris Pyadysh, the Foreign Ministry's spokesman, is at right. Panels behind them show some of the alleged devices.

MOSCOW: Soviets Display Alleged U.S. Spy Devices

(Continued from Page 1)

dismissed the Soviet allegations of American espionage as irrelevant to the Marines spy case. The officials told Reuters that Washington was trying to emphasize a distinction between routine efforts at electronic surveillance by both superpowers and the "different nature" of the case involving marines.

In his presentation, Mr. Pyadysh charged the United States with "rewriting" tactics, "unseen actions" and "low moral standards."

Mr. Pyadysh said the cases of U.S. espionage "constitute a factor complicating Soviet-American relations." Secretary of State George P. Shultz is due to visit Moscow next week.

"We have not dramatized the situation," he said. However, he added, "the actions in the U.S. cannot be left unattended at the same time."

U.S. officials have limited their charges against Moscow to vague references of "security breaches" and have refrained from direct displays of surveillance devices found in the U.S. Embassy buildings in Moscow.

Soviet Foreign Ministry officials used most of the briefing on Thurs-

day to demonstrate bugging devices that they said came from the new Soviet office and residential buildings in Washington, New York and San Francisco.

■ U.S. Dismisses Charges

U.S. officials on Thursday dismissed Soviet allegations of widespread American spying on some of its diplomatic missions as irrelevant to the acrimonious row over the Marines spy affair. Reuters reported from Washington.

• Photographs from the interior of a Soviet country house in suburban Maryland, showing stripped floorsboards and ceilings, with arrows pointing to the places that eavesdropping devices had allegedly been found.

Also, various wiretaps and pieces of electronic equipment that Soviet officials said were taken from the building were found. In that facility bugs had been connected to radio transmitters in the roof beams, Soviet officials said.

• Bugging devices allegedly taken from the Soviet consulate building in New York, which was built in 1973 and used as office and residential quarters for Soviet employees at the United Nations.

• Eavesdropping equipment that the Soviet Union said was uncovered in the building structure of the Soviet consulate in San Francisco, which was built in the 1970s.

The officials, who asked not to be identified, said that Washington was trying to emphasize a distinction between routine efforts at electronic surveillance by both superpowers and the "different nature" of the current case.

"Everybody throws microphones around once in a while, even if we can't say so publicly. The effort on the Marines is of an entirely different nature," one said.

The officials said that Mr. Shultz chose his language very carefully at a press conference on Wednesday to allude to Washington's distinction between routine bugging efforts and the Marines spy case.

He stressed that gaining access to the embassy through the marines was an "invasion of our sovereignty" in an effort to underline, the officials said, the abnormality of the effort.

■ Wire and other devices

also taken from the new Soviet residential quarters in Washington.

CONDUCT: Industry in U.S. Hastens to Move From the Lab to the Market

(Continued from Page 1)
Republican of Minnesota, cited "the extraordinary challenge to America's economic leadership" posed by the effort announced last month by Japan's Ministry of Trade and Industry.

"Genuine scientific breakthroughs occur only rarely," said Alan Schrieffer, director of Argonne National Laboratory, who recommended such a program in congressional testimony. "This is a breakthrough of such a magnitude, like the laser or the transistor, that it may spawn a whole industry or series of industries."

So far, the capacity has appeared limited. Wires of the materials would be like pipes that are frictionless, but still rather narrow. Many scientists believe the limitations will be overcome as research continues.

For those planning applications, superconductivity has two advantages over semiconductors and lasers, which took decades to fulfill their strong initial promise.

One advantage is that the new materials are ceramics. A fast-growing industry has already solved many of the problems of manufacturing ceramics on a large scale for a variety of special purposes, from extremely hard drill bits to electronic devices.

The other advantage is that superconductivity itself has been familiar to technologists since the 1960s, when practical materials were found that became superconducting in extremely cold temperatures, near absolute zero.

Superconductors are already a multimillion-dollar business, and engineers are familiar with many of their peculiar qualities.

Among the applications that have already received detailed study are these:

• Superconducting electrical transmission lines could save energy. A vast amount of the electricity generated each year in the United States — estimates range as high as 15 percent — is wasted in overcoming the resistance of the wires that carry it from place to place.

With the announcement from Argonne, the manufacture of wires already appears to be feasible. Even though the materials are brittle by nature, ceramics engineers

know how to draw them out into thin filaments that can be clad in a metal such as copper.

Before transmission lines would become feasible on a large scale, however, engineers must overcome many technical problems, including the most important remaining question about the new materials: How great is their capacity for carrying current?

So far, the capacity has appeared limited. Wires of the materials would be like pipes that are frictionless, but still rather narrow. Many scientists believe the limitations will be overcome as research continues.

Superconducting lines can safely be put underground, carrying far more current for much greater distances than conventional underground cables. Also, they do not heat up. In dense urban centers, such as New York, utilities encase their transmission lines in elaborate cooling systems, so they already are equipped to cool superconducting lines.

Such transmission lines also open up another possibility. Freed from the need to keep their generators closer to their users, utilities could put nuclear power plants or fields of solar cells far from populated areas.

• Superconductors could make possible the storage of current without losing power. Roughly half of the U.S. generating capacity is wasted, because electricity must be generated when it is needed. Superconductors open up the possibility of running generators around the clock and storing huge amounts of power at night, without loss, for use during peak periods.

Passing a current through any conductor creates a magnetic field, which is the fundamental principle that makes possible electric motors, television picture tubes and much of modern technology. A large enough coil of superconducting material could store a huge current in the form of a magnetic field.

The potential is "unbelievable," said Ching-Wu Chu of the University of Houston and the National Science Foundation, who has made some of the key recent discoveries.

"Once you just open up the loop and you can tap the current out," he said. "Superconductors could lead to smaller computers. Computer designers have run up against a seemingly insuperable barrier to making better hardware: densely packed circuits produce so much waste heat that they threaten to melt themselves. Today's computers rely on elaborate cooling systems.

But if computers cannot be squeezed into smaller boxes, they cannot run much faster, because their speed is limited by the time it takes a signal to travel across a few inches of wire.

The guts of a computer come in two categories. The work is done by semiconductor switching devices, such as transistors packed together by the million, and these will not be replaced by superconductors in the near future. But much of the circuitry is ordinary metal that connects the switching devices, and these can be replaced by the new resistance-free, heat-free materials.

Several laboratories quickly have announced processes to lay the superconducting materials on chips in the form of thin films that are just a few hundred atoms across. They contend that the major engineering hurdle has thus already been crossed.

• The study of superconductors and magnetic fields has revealed the possibility of levitated trains.

Most of the excitement aroused by the new materials has come from their ability to remain superconducting at relatively high temperatures. But they have turned out to have a second property as well: the ability to handle far more powerful magnetic fields than the previous generation of superconductors.

Passing a current through any conductor creates a magnetic field, which is the fundamental principle that makes possible electric motors, television picture tubes and much of modern technology. A large enough coil of superconducting material could store a huge current in the form of a magnetic field.

BELGRADE: Despite Strikes, Opposition Groups Are Unlikely to Unite

(Continued from Page 1)
ties, as some local leaders sided with the strikers in demanding that the wage cuts be revised.

Two important republics, Serbia and Slovenia, have significant independent opposition groups, as does the southern "autonomous" Serbian province of Kosovo. Although the Serbian and Slovene movements share critical assessments of Communist rule and the socialist system, the groups are sharply divided by nationalist sentiments. Moreover, Serbian intellectuals and the Albanian ethnic opposition of Kosovo are bitter antagonists.

[About 600 coal miners went on strike Thursday in two Croatian mines near Labin. They demanded 100 percent pay increases according to a Reuters report quoting the official Tanjug news agency.]

The national differences are shared by the ruling Yugoslav League of Communists. But in the opposition, the troubles are accentuated because political dissident groups in Kosovo are entirely nationalist in character, while those in Serbia and in Slovenia have made nationalism a central part of their alternative platforms.

In contrast, the Communist Party presents itself as the only political movement capable of overcoming national differences and keeping the country united and independent.

[It's a major complication," said Svetozar Stojanovic, a Serbian intellectual. "Why don't Slovene intellectuals have support from other places? Because they view everything strictly from the Slovene point of view."]

The fragmentation of the opposi-

tion and the growing anti-government mood in Slovenia and Serbia were recently illustrated by the preparation of highly critical reports by leading intellectuals.

In Serbia, Yugoslavia's largest republic and site of the federal capital, the republic's Academy of Sciences issued a document late last year criticizing Communist rule, despite efforts by authorities to suppress it.

In February, a leading journal in Slovenia, the country's most affluent and westernized republic, published an issue that included articles that attacked Communist policies. Both reports contended that efforts by Mr. Milikic's government to stabilize the economy and enforce market-oriented reforms of socialism must be accompanied by moves toward greater political freedoms.

[Magazine Editor Resigns]
Miron Legaj, the editor of the Yugoslav student magazine Katedra, has resigned after being criticized by Communists authorities for publishing an interview with a leading dissident, Milovan Djilas, and for other controversial articles, Reuters reported Thursday.

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TRAVELER'S CHOICE

French Visas Now Valid For 3 Years

Six months after imposing new visa requirements for Americans, the French government has begun issuing visas valid for three years instead of one. The new multiple-entry visa costs \$15, the same as the one-year visa, which was required beginning last Oct. 1. Visas are being issued without regard to when a passport expires. Shorter visas are available: a 72-hour transit visa (\$3), intended mainly for travelers passing through France to another destination, and a three-month multiple-entry visa (\$9). According to the French Consulate General in New York, visas are required for all travel to France and to French dependencies, including Guadeloupe, Martinique and St. Barthélemy. But travelers to the West Indies are not required to pay for their visas and they do not have to get them in advance. A visa will be issued free at the airport on arrival. These visas are valid only for the duration of one's stay on the island of destination. There are two ways to get visas to France: in person or by mail. When applying in person (you can go to any one of the 10 French consulates around the United States), you will need to submit a visa application, a color passport-size photo, two inches by two inches, your passport and another piece of identification containing a photograph, and a certified check, money order or cash. To use the mail, get an application from a travel agent or from an airline office. Send it with your current passport and a self-addressed, stamped envelope (for faster service use a pre-paid express mail cover) and a money order (payable to "Consulat de France") to the nearest French consulate. Allow at least two weeks for processing. Consulates are in Boston, Chicago, Detroit, Houston, Los Angeles, Miami, New York, New Orleans, Puerto Rico and San Francisco. Visas are also available from the French Embassy in Washington. More information is available from the French Tourist Office (212-757-1125).

London Docklands Go Futuristic

Queen Elizabeth II will open the £77 million Docklands Light Railway on July 30. Starting from Tower Gateway, a short distance from the Tower of London, driverless electric trams will operate a frequent service over the 12-kilometer (7.4-mile) route. There will be two other stops: at Stratford and at Island Gardens on the Isle of Dogs. From here, passengers can walk under the River Thames by means of a foot tunnel, to Greenwich, home of the National Maritime Museum.

Cottages on Rangoon's Royal Lake

Set in a mango grove on the shore of Royal Lake, eight new Burmese-style cottages, part of the Kandawgyi (pronounced Can-Do-Gee) Hotel, recently opened in Rangoon. The cottages — two units to a building — are made of Burmese teak. Interiors are furnished in raffia, cane, wicker and homespun cotton. The bath of tile and marble sets a new luxury standard for Rangoon. And there is a kitchenette. Each unit has a screened porch, with a view across the lake to the Karawek restaurant and culture center. The cottages are about \$65 for one or two people. There are cheaper hotel rooms in the main building. Mailing address: Post Office Box 1467, Rangoon; telephone 62255, 62327 or 63925; Telex: HOTOCO 21330 BM.

On The Trail of the Danish Vikings

In the 9th and 10th centuries, Danish Vikings settled parts of eastern England and northern France. During June — along a route beginning in Copenhagen and proceeding by way of Elsinore and Paris — a 19-day tour will focus on this history. "The Viking Tour of Medieval Denmark, England and France" is organized and led by Peter Gravgaard, a Danish scholar who has taught at the University of Minnesota and Odense University in Denmark. Originating in Copenhagen June 5 and ending in Paris June 23, the tour is \$3,240 a person in double occupancy, including accommodations, breakfast and dinner daily, sightseeing, bus and ferryboat transportation, taxes, service charges and tips. Air fare is not included. Information available from Plantagenet Tours, 85 The Grove Meadow, Bournemouth, Dorset BH5 2TY, England; from the United States 800-521-4556.



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Kyoto's Classic Brushes

by Amanda Stinchecum

KYOTO — Because Kyoto was spared the bombings of World War II, that devastated Tokyo, Nagoya, Osaka and other Japanese cities, streets of dark old houses remain intact, pretty much as they were in the 19th century.

House-proud Kyoto-ites take care of their seemingly fragile wood, paper and plaster houses and the furnishings within the same way their ancestors have for hundreds of years, often using the same types of equipment, some of it still made by hand within the city. But young people have little desire to apply themselves to the demanding work of making these things, and in many cases the present generation of craftsmen may be the last.

If you cross the Sanjo Bridge over the Kamo River on the north side of the street, you can't help swerving toward Naito Rikimatsu Shōten. The display of cleaning utensils and brushes fills the broad storefront just west of the bridge, on what must be one of the most valuable properties in Kyoto. Brooms and brushes hang so thickly in the wide doorway that you have to duck under them to enter. The window is stocked with artists' and textile-dyers' brushes made of the hair of goats, deer and horses; hand-dried shuro or hemp palm brooms for sweeping tatami mats; brooms for sweeping tatami mats; paper shoji screens and other

delicate surfaces; tightly bound cylinders of hemp palm for scouring and scrubbing. The store's cool, dark interior looks much as it must have when it was founded in 1818. Until the mid-1970s, all of the rich brown shuro brushes and brooms were made right here.

Since old Mr. Naito, who made them, died many years ago, each type of brush is now made by an artisan who specializes in a particular material (shuro, rice straw, or the like). There used to be more shops like this in Kyoto, but now there are only two or three. The craftsmen who make these wares are mostly in their 60s, and there are no younger ones to succeed them when they are gone, says Mr. Naito's daughter, who is taking over the business from her mother.

The variety of material, form and construction at Naito recalls an age when the tools of housekeeping and even of craft work were more specialized than they are today. The housekeepers and craftsmen who still use them seem to belong to an earlier time, when most Japanese lived in traditional homes, ate Japanese food served in Japanese-style utensils, wore kimono and did not ride subways or bullet trains. One of the standard pieces of equipment still in every Japanese kitchen is a *tawashi*, a horsehoe-shaped brush of shuro that just fits the hand. A *tawashi* is for scrubbing vegetables as well as pots and pans.



Mrs. Ko Naito, owner of Naito Rikimatsu Shōten.
shoulder to scrub your back. The white bristles are softer than the dark brown shuro and better used dry. Wood-backed brushes with stiff, white vegetable-fiber or black horsehair bristles serve as hand brushes, body brushes or laundry brushes. Those with machine-set bristles set by hand, much more tightly packed are priced from \$13.50.

The Japanese passion for bathing manifests itself here, too, in the form of body brushes to stimulate your circulation before a bath or to be used with soap and water. Two loops of white-cotton cord allow you to flip the brush over your back. The white bristles are softer than the dark brown shuro and better used dry. Wood-backed brushes with stiff, white vegetable-fiber or black horsehair bristles serve as hand brushes, body brushes or laundry brushes. Those with machine-set

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Amanda Mayer Stinchecum is currently studying ikat textiles in Japan on a grant from the Social Science Research Council. She wrote this article for The New York Times.



The Village church at Trub in the Emmental region of Switzerland.

Philip Lieberman

The Traditional Taste of Emmental

by Marcia R. Lieberman

EMMENTAL, Switzerland — overshadowed by the nearby Alps, the Swiss Emmental region is undiscovered and completely unselfconscious. Although many people recognize Emmental as the proper name for what Americans call Swiss cheese, the region is little known outside Switzerland. Yet it's a place of gentle, rolling farmland, magnificent old farmhouses and villages so pretty that if they were, say, in the Cotswolds, they'd be buzzing with tourists and dotted with tearooms of conspicuous wealth.

Emmental valleys are generally narrower than English ones, with more sharply defined hills, and the houses are made of pine, weathered to a deep velvet brown. Emmental villages are working agricultural communities; they are not, as is often the case in the south of England, showcase villages for tourists, fashionable retirement spots, or bases for upscale city commuters.

Here is the landscape of children's picture books: soft round hills, coving roads, farmhouses surrounded by fruit trees. The farms, small by American standards, are scattered among the hills, within sight of each other. Each farm is an independent domain, almost self-sufficient with land for pasture and crops, woods for winter fuel, a fruit orchard and vegetable garden. In this deeply pleasing countryside the star feature is the farmhouse, decked with flowers and supporting a roof of heroic proportions — surely among the most handsome farmhouses in the world. Each farmhouse sits between a garden of vegetables and flowers and an orchard of apple and cherry trees, and sometimes pear and plum as well. Everywhere there are signs of plenty: studded haylofts with grass bursting through the cracks, huge woodpiles, a profusion of vegetables and berries in the gardens, ripening fruit in the orchards.

The traditional Emmental farm consists of three buildings. The *Bauernhaus*, the largest, contains farmhouse, stables and a huge hayloft, united under an enormous roof that folds over the gabled ends and dips almost to the ground over the long sides of the house. The roof is the embodiment of shelter, enfolding humans, beasts and a winter's supply of fodder under its capacious embrace. Some Emmental houses are partially timbered, but most are made entirely of wood,

darkened with age to a rich, deep brown. Across the facade run tiers of balconies, often carved with folk-art patterns and hung with flowerboxes. On one of the long side walls a ramp leads to the hayloft, whose cavernous door is large enough to admit a loaded wagon of hay. Below the hayloft are the stalls and pens for horses, cows, pigs and other animals.

Behind the big house is a little one, the *Stockli*, or dovecote house. In the Emmental, the farms are inherited by the youngest son. As the parents pass the farm on to them move into this smaller house, near enough to help, but under another roof. Like the *Bauernhaus*, the *Stockli* is made of weathered wood and hung with flowers.

The third building, near the *Stockli*, is the *Speicher*, or storehouse, often ingeniously carved and painted. The *Speicher* once contained everything of value to the family: bedrooms, precious cloth, dried meat and fruit, even family documents. Jeremias Gotthelf, a 19th-century Emmental pastor who wrote stories about his native region, called the storehouse "the great treasury of a farm; consequently it usually stands a little removed from the house so that, if the house goes up in flames, it can still be saved, and when the house begins to burn the farmer shouts: 'Save the store, the other house doesn't matter so much.' Today the *Speicher* is used mainly to store herbs, extra preserves and odds and ends.

In front of the *Bauernhaus* just a few steps away, is a large kitchen garden, always beautifully tended, where the farmer's wife grows vegetables, berries and flowers, and nearby is a small orchard. Thus the farmhouse sits in the middle of a garden of plenty. Beyond the house and garden, the land is used for grazing and producing hay. While the mainstay of Emmental farming is the dairy herd, farmers often grow large crops of potatoes as well as wheat and other grains.

Although you can tour the Emmental by car, the best way to see it is on foot. If the Netherlands is the land of cyclists, Switzerland is the land of walkers; more than any other country in the world, Switzerland has been developed for walking. Not only the Alps but every region of the country is laced with trails. And the Emmental is a favorite region for Swiss walkers, who love to ramble here for a week, a weekend or even a day, as most of its trails can be covered on a day trip from Bern.

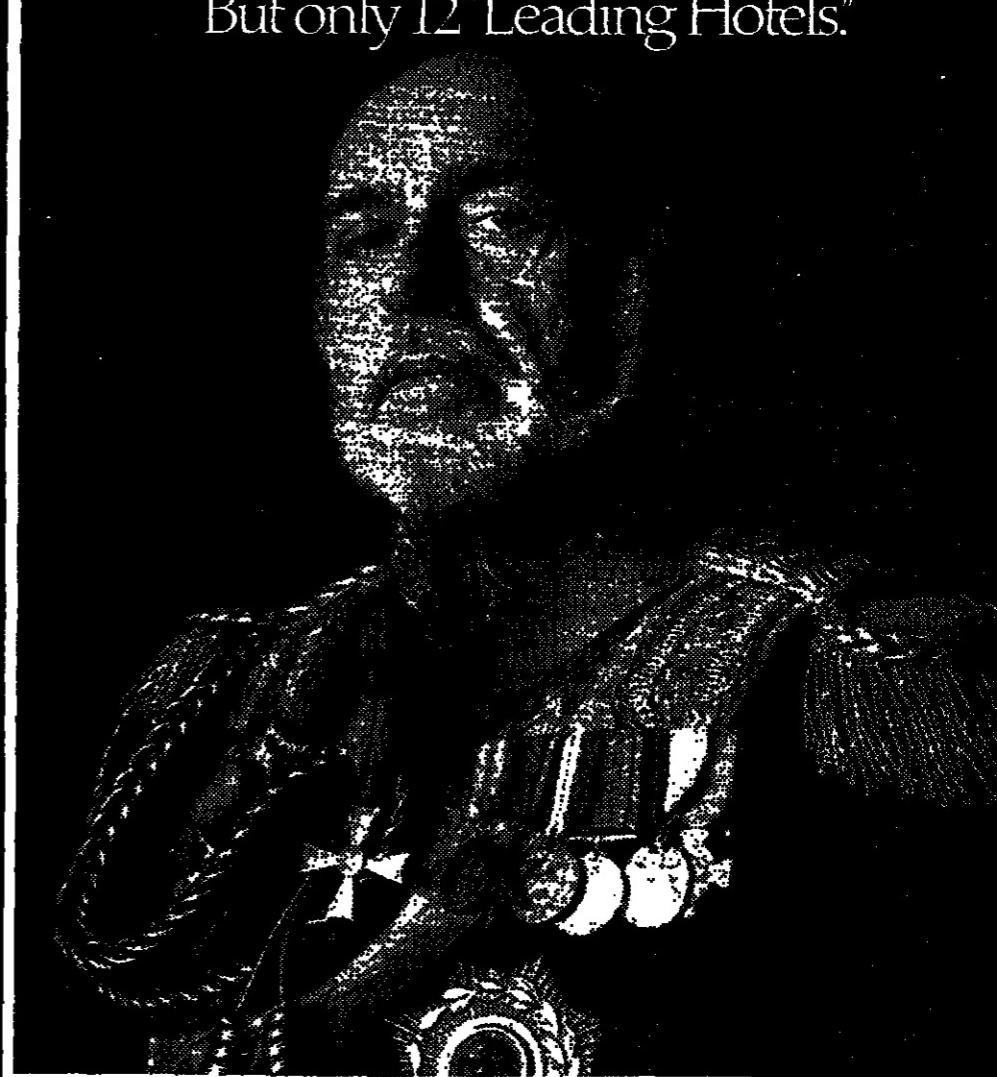
One of the most agreeable features of this country

woman who helps Elisabeth in the kitchen — and two elderly men, formerly hired hands for Hansueli and his father before him. They remain with the family as pensioners now, helping with the chores they can still manage. Sitting in the Langeneger kitchen, which is quiet and snug, and fragrant with the smell of simmering apples or fresh bread, you would never guess that just beyond the kitchen wall (a very stout one, with a lot of air space on the other side), are stalls and pens housing 18 cows, 50 pigs and several horses.

As Elisabeth showed us her cellar, we saw at once why an Emmental farm has traditionally been considered a little kingdom in itself. In one room she keeps a year's supply of apple cider, both sweet and hard, made on the farm from the Langenegers' own apples. Some of the cider is stored in wooden barrels, the rest in huge glass jugs. Elisabeth explained that cider used to be heated and stored inside wooden casks, giving the cider a slightly woody taste, but that cider keeps better over the long winter when stored in glass. Near the cider racks were barrels of cherries, fermenting for Schnapps, also made on the farm. The Swiss government

Continued on page 8

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Catching the Spirit Of Hedonistic Rio

by Robert del Quijano

RIO DE JANEIRO — The first sight of Rio de Janeiro — for preference from the air as dawn reaches from the ocean over Brazil's most famous city — makes the spirit the way only Sydney, Sydney for the breathtaking location, New York for all the moving and shaking going on down there, Rio for both.

The northern hemisphere has been brought up, largely by Hollywood, to believe that Rio is the place that makes any hedonist's dreams come true — and does so this side of bankruptcy. The main fount of ecstasy is taken to be Carnaval — the annual regatta of earthly delights that always ends a clutch of heart attack cases at their Maker. This is not a bad way to go. Although the fun lacks refinement, it is taken at full gash for about a week, at the end of which the fat and dangerous city is like a rag wet with blood, sweat, tears and laughter.

Like Easter, Carnaval is a moveable feast that peaks each Shrove Tuesday (in 1988 that's Feb. 16), by which time . . . well, one American student said as she watched the going-on at one fancy-dress party: "Wow, it's amazing. Everybody gets laid in Brazil!"

For the tourist, Carnaval is most easily sampled as a show — the parade of sumptuous floats, drummers and dancers that, on four successive nights, writes along the purpose-built Sambódromo, stark stadium-style terraces ranged the length of a broad, paved strip of concrete with floodlight towers and swarms of TV crews whose employers are the event's main paymasters these days.

Even if the social satire in the songs and trappings passes you by, the nights of spectacle are worth sending the bracket down your well of smirks. A big bracket. I waited at about 4 A.M. during one parade that had started on schedule just after sunset, going home to catch some sleep and waking at about 11 A.M. to find the spectacle still going on, with paraders and spectators alike frying in temperatures at 45 degrees Centigrade (113 degrees Fahrenheit) plus. One of the diesel engines under all the precarious elaboration of a monster float had broken down and held up the procession for hours. It didn't finish until 2 P.M. No way the parade could be abandoned. Every district's samba school has to complete its mobile display so as to be assessed against its rivals through a complicated points table — all this before Lent turns all to Ash.

I think the best way to pick the winner is to concentrate on the drumming. This also helps to save some of us to whom the absurd impact of 200, 300 even 400 drummers (in each school), bashing away sounds, at first, like all the blacksmiths in Hell being let out together. Relax, let the samba into your head and you'll feel the life and coherence of a well-drilled *bateria* (corps of drummers). They are sustaining an irresistible dance beat, with drums they have to carry while dancing in formation along a half-mile of concrete on one of the hottest nights of the year. Keeping one eye on the band master, they dodge the topless dancers wriggling *ad lib* in and out of their ranks permed by bixen.

There's also plenty of engaging behavior before the parade at the schools (eight or 10 each night) form up, mount their floats and prepare to give them all. The hassle of getting my press pass was made more than worthwhile. I got a close-up view of the sulphurous stances, supported by much hawking and spitting, directed by a magnificent squad of black women dancers — *Flamenco* gleaming, eyes flashing, keyed right up for the night of the year when they strut their very best stuff — at the two famous white model girls brought in by the school's gambling-boss patrons to attract TV and press attention. The pair wrinkled at the last minute to their up-staging spots on the front of the float.

No question who would be slicing under the communal top afterwards, and who would be showering in a Copacabana dip.

Still, the show's the thing. From hand to hand, nose to nose, dancers and drummers were passing the *lenga-perfume* — what looks like a toilet water spray, in fact loaded with a solution of ether. This is the favorite cheap way of lifting yourself above the pain and fatigue of dancing and drumming and singing and waving and smiling for three-quarters of an hour (the school loses points if its parade takes too long) down the 700 meters (2,200 feet) of concrete, covering perhaps four times that distance while cavorting back and forth to the ceaseless beat. In the fancy boxes across the strip from the terraces, VIPs make it through the night on

stimulants that come powdered and more expensive.

The best way for the visitor to get to grips with Carnaval is to buy a ticket for one of the balls — all-night thrashes in a hotel ballroom — the fees of which are put on by the gay crowd. The pays have come out something amazing in the last few years in Rio, New York and California chapters send charter flights. Many of the seeming girls frolicking all over are *transvestites* (transvestites). Impressions of Paris notwithstanding, all the Brazilian stunts haven't emigrated to the Bois de Boulogne. Careful: AIDS has reached Rio, too.

If the Carnaval ball, especially in the later stages, becomes too sweaty and gross for you, take a break at an outdoor street party, have a few beers and dance a few steps with the locals. Keep your wits about you, though, even if your fancy dress disguises the fact that you're a foreigner (see advice below).

Carnaval doesn't last forever. The very word means farewell to meat, to the flesh, although I doubt Rio will ever say goodbye to that. Listen to the bunch of foreign businessmen arriving at the airport and scoffing at the idea that they might have brought their wives. "To Rio?"

The obvious male foreigner circulating downtown soon finds out what this is all about, even if he hasn't come with his mind already on SWOOPSWOOF. With the briefest, give-us-a-break post at the head waiter, they've slipped a bangled arm each through his all of a sudden as he was gazing at the menu of the restaurant he found on page . . . of the . . . "Er, what/was/quest . . ." "A gente gente de voo, garoto!" (We like you, cute stuff!) the two instant acquaintances exclaim and let rip the 1,000-watt smiles. He feels like the flower in the forest that all the birds of paradise want to hover by. He grins back and thinks: What the hell.

Before you curl your lip, remember that these are poor girls from the *favelas* (shanties) that from the distance of the beach, look pretty clinging to the sides of the mountains. The foreigner could be the real ticket.

By the way, I don't believe — especially since I had to interpret for a Brazilian and a Colombian in a Rio store — that you can get by in Spanish in Brazil. You're more likely to find someone who can manage in English, the learning of which is an obsession with promotion-minded Brazilians. "Inglês é bom negócio, né?" ("English is good business, isn't it?") they ask. Reassure them, whatever you think of voodoo economics Thatcherite pragmatism.

Then again, a poor South American city is a cheap city for us from where the dollars, pounds, francs and yen grow strong. A three-star hotel room for \$15 a night is no problem most of the year, January and Carnaval being easier. A light lunch at one of the hundreds of corner bars can be had for \$2.50 — and *a copela* (gratuity for even less at one place on the Avenida Copacabana as the counter-hand takes your tip, sings out its value and the entire staff choruses well-practiced thanks). Brazil's cultural melting pot — Portuguese, Spanish, African, Italian, Japanese, German — makes for a variety of cooking pots.

I'm leading you down a shady path here but I advise that, depending on the fevers and calms of a merciful money market, the *paralelo* (black market) rates for foreign money can be as much as 25 percent more in the visitor's favor than the official rate.

The *combita* (currency dealer) is scared of being burgled and of being raided by the feds, so you face interrogation by intercom and scrutiny by close-circuit TV as you explain your business at the door of an unmarked office suite. Go with someone known to the staff or be ready with an explanation in Portuguese as to how you got the address. Failing that, most hotels will give you a fair-to-middling *paralelo* rate. It's the yankee dollar, in cash, that whistles loudest in Brazil.

Rio was always compact, making the most of the bits of land between the mountains and the sea. Now its smart Metrô (underground railway), where a 12-journey ticket costs only \$1.50, makes the going even easier, though it's closed on Sundays. The southern section terminates at Botafogo, where a connecting bus service takes you on to the beaches of Copacabana, Ipanema and Leblon.

What with the undercut close to the sand, the sea is mainly for looking at from the beach, where the being seen in *swimsuits* (those dental floss bikinis) and macho pouches jostles with the tanning, soccer and volleyball. Even the standard procedure of standing in the shallows and tipping water over each other to cool off has its drawbacks where the

heat is high. But there is proof in the morgue of a different response.

Don't make a fight of it. Don't say anything that would show you are a foreigner. Brazilians think tourists are loaded like

out of unemployment or the sweatshop. A wage of \$75 a month is good going in Rio. "You know, Teresa's cousin actually married that German with the wonky knee." "Come down to Leblon with me, Aparecida, you learned lots of English from those Americans." Male hustlers are also ingratiating and hoping.

Restraint? That's for the visitors. We have the option.

Most *cariocas* (inhabitants of Rio) live in those shanties, which grow every day as more families arrive from the countryside where modern farming is driving out smallholders and laborers. The aim is to produce crops for export so that Brazil can pay its huge debts to northern hemisphere banks.

The upshot on the street is thievery and rough stuff. Basic precautions: Be alert, dress down, wear no jewelry. A money-belt is essential gear. At all times outdoors I carry in a separate pocket 10 bucks worth of local currency ready to be surrendered to robbers. There are instances in Rio of thieves, offered just a few cents and a pleading look, handing back "esse mochileiro" (that piastre) with a lousy genuine. But there is proof in the morgue of a different response.

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Rio de Janeiro: breathtaking panorama.

Croesus, which they mostly are by comparison. That means, say *nothing* because anyone who doesn't live there would never manage enough Rio slang to pass for a *caroço*, especially when looking down the barrel of a .38.

No wonder Christ, the Redeemer, who spreads his arms over Rio from atop Corcovado and gives the city its emblem to the world, withdraws into the clouds now and then.

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pollution is gaining. The western beaches, more open to the sea (such as Barra da Tijuca, Gávea, Leblon and Ipanema), are generally better in this respect than those further into the bay (Copacabana, Botafogo and Flamengo).

After a while, Rio gets on my nerves with its article of faith that, if your surface and your subcutaneous aren't fascinating and firm, then you're out of favor.

Rio is the cultural capital of Brazil — outside the southern summer's dog days — with dance, opera and concerts abounding. But the preening doesn't let up at such events.

Museum-goers can find relief at the Belas Artes, Brazil's top establishment art gallery, but the dry out that pieces me together in Rio is a trip up to the old district of Santa Teresa, aiming for the little Chácara do Céu gallery. There is a succession of well-chosen temporary exhibitions and the permanent pleasures include works by Matisse, Monet, Picasso — and a spare and perfect Modigliani that has maximum tonic effect in a city that tends to go over the top.

Clatter into Santa Teresa on the *bonde* (streetcar), so called because the line was

built with money raised by bonds issued in London, up winding streets with flowering trees, from its start downtown near the wall-off pyramid of the new cathedral.

As a vertigo sufferer, I don't look down during the first two minutes of the ride as the *bonde* travels a narrow viaduct without parapet. One sneeze would surely take the whole caboodle over the edge.

One branch of the line (the tram/streetcar that says P. Matos on the front) ends in a little square where stands the Maçã Dourada (Golden Apple) restaurant (closed Mondays, lunches at weekends only). It is run by an American woman known to all as Dona Diana and a fountain of information and goodwill. Stroll down there from the Chácara do Céu, astir Betty at the bar to mix you a *capirinha de coquinho* (white rum with ice and lemon), order the cook's special and round off a restoration.

Brazil is not far off the size of the continental U.S. and a visitor wanting to see more than Rio might well buy an air pass (for 21 days usually) before arrival. Efficient internal air services can take you to São Paulo, the business center, Brasília, the federal capital, the (drinkable nowadays) wine and cattle

country of the far south, the waterfalls and wildlife near the frontiers with Bolivia and Paraguay, the old churches of Ouro Preto, vast empty beaches and *candomblé* (African religious rites) of the northeast, and the Amazon jungle.

This last is best in the dry season (April to October), and offers one of the most stirring natural phenomena I've ever seen, hear the city of Manaus, where the River Solimões and the River Negro meet. For miles the two vast bodies of water flow side by side, the brown of the one not mixing with the black of the other, like two superbly endowed but hesitant lovers, until suddenly the waters do merge and, a thousand miles from the Atlantic, the mighty Amazon is on its way. This should be closely witnessed, bobbing about on the great congress in a little riverboat.

Brazil is the foreign place that comes to my thoughts most often. For us from the north its magic is that of a society still forming, the fluidity making for many efforts but for happy possibilities and improvisations. We've peaked; they're still rising.

Robert del Quijano is a London-based journalist specializing in South American affairs.

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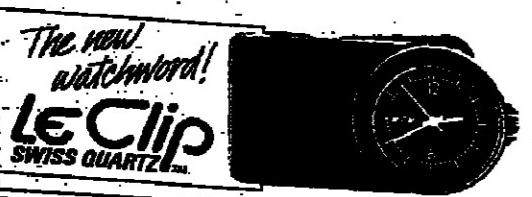
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TECHNOLOGY

New Service Reduces Cost Of Access to Data Bases

By CHRISTOPHER BOLAN

PARIS — Personal computer owners who subscribe to such data-base services as Mead Corp.'s Nexis or Dow Jones & Co.'s DowPhone have long lamented the gap between the easy portability of computers and the prohibitively high cost of getting at data when traveling. When in Rome, for example, an investor wanting to tap the Mead data bank in Dayton, Ohio, would have to pay the full cost of a transatlantic call — about \$25 for three minutes, depending on the time of day.

But now, a five-year-old Swiss company says it can make the link for the cost of a local phone call in any of several major cities around the globe.

"With our card and the necessary hardware, our customers can gain access to virtually any authorized data base in the world just by being near a telephone," said Roland Meylan, president of Compagnie de Communication Comco SA, a Zurich-based concern specializing in communications technology. "That means being in an office, a hotel room, a telephone booth or even in an automobile."

According to industry experts, Comco's service is the first of its kind to employ a plastic card with a built-in microcomputer chip, usually referred to as the "smart card," for use in conjunction with a portable personal computer, a modem and a specially designed card "reader" for telecommunications purposes.

The service relies on the state-owned telecommunications systems in several countries called "packet-switching networks," such as France's TRANSPAC, that are already in place.

"Packet-switching" is the generic name for a way of transmitting data that involves grouping a number of separate transmissions with a common destination and moving them as a unit.

While packet-switching networks utilize some of the same technologies that telephone and telex networks use, including fiber optic cables and communications satellites, they are independent networks designed strictly for transmitting encoded data and are not as susceptible to transmission disruptions.

"We use this form of data transmission simply because it is by far the cheapest and most reliable way to move information," Mr. Meylan said. "What we have is a product that tries to combine several of the most efficient communications technologies in a simplified package."

The growth rate for industrial countries' gross national product, which does not include income from abroad, is expected to slow to 2.7 percent this year, from 2.9 percent last year and 3.1 percent in 1985.

The forecast is disappointing for those economic policymakers who had hoped growth would provide an easy answer to the Third World debt crisis and mounting trade tensions.

Those topics are dominating discussions of the finance ministers and central bankers at IMF and World Bank meetings in Washington this week.

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For the developing countries, growth of gross domestic product, which does not include income from abroad, is expected to slow to 3 percent from 3.5 percent.

The poorest countries had hoped that new vitality in the industrial countries brought on by a sharp decline in oil prices would assist their economic recovery and help them cope with growing debt.

Economic analysts and the IMF have said for some time that growth rates of around 3 percent for the industrial world and 4 percent to 4.5 percent for developing countries would be needed to keep the debt crisis from turning into a rout.

IMF officials say that progress can be made below these levels but is much more difficult.

Debt-ridden countries look to the United States for markets for their products as well as financial assistance, so slow growth in the industrial nations means less money flowing into the Third World.

The U.S. economy, which is in its fifth year of expansion, has been a key market for developing countries, but the IMF forecasts that the U.S. economy will grow by only 2.3 percent this year.

The Japanese themselves say that over the long run they will continue to invest in the United States because it represents a haven and the best long-term return obtainable anywhere for their earnings from U.S. trade.

This is happening even as Americans fear that a continuing decline of the dollar might finally prompt the Japanese to pull out funds that have been a vital prop to the economy. That fear became especially strong after President Ronald Reagan's announcement of trade sanctions against some Japanese products sent the dollar into a new plunge last week.

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The dollar's fall, however, is drastically changing the mix of American bonds, corporate stocks, factories and property that the Japanese hold.

Since last month, American and Japanese traders say, almost

Japanese Funds Flow Faster to U.S.



Despite Dollar's Fall Against Yen

By Louis Uchitelle

New York Times Service

NEW YORK — Over the past two years, the dollar's unrelenting decline has cost Japanese investors huge paper losses in the value of their various holdings in the United States. But they are not selling off.

Quite the contrary, according to the Commerce Department, the Japanese are stepping up the flow of their money into the U.S. economy.

This is happening even as Americans fear that a continuing decline of the dollar might finally prompt the Japanese to pull out funds that have been a vital prop to the economy. That fear became especially strong after President Ronald Reagan's announcement of trade sanctions against some Japanese products sent the dollar into a new plunge last week.

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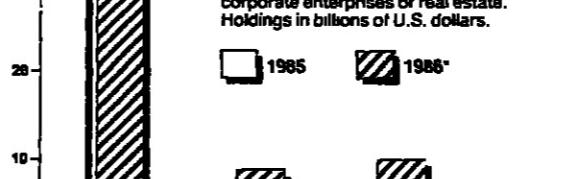
Since last month, American and Japanese traders say, almost

no new money has gone into government securities, particularly Treasury bonds and notes. Japan's huge purchases of these securities in the last few years have helped to finance the federal budget deficit and thereby dampen U.S. interest rates.

Instead, the flow is into stocks — in a market that has soared nearly 27 percent since the beginning of the year — and into direct investment in factories, commercial real estate and other businesses. This shift is putting upward pressure on interest rates and provoking changes in some sectors of the domestic economy. Japanese investment in the United States now totals \$135 billion, greater than that of any corporation in the world.

See INVEST, Page 13

Holdings of marketable securities rose in the past year, and leading economists expect little decline ahead, despite the dollar's fall against the yen. Figures do not include direct investment in U.S. companies, enterprises and real estate. Holdings in billions of U.S. dollars.



In announcing the EC inquiry, the community's commissioner for foreign trade relations, Willy de Clercq, noted that Europe was challenging the U.S.-Japan semiconductor agreement in the General Agreement on Tariffs and Trade, the 92-nation body that is a forum for trade disputes.

Because Europe is heavily dependent on imports of computer chips, Mr. de Clercq said, "it cannot accept that their prices are arbitrarily fixed by the United States and Japan."

He said the U.S.-Japan accord of last July appeared to violate international trade rules.

The EC Commission said it was acting on a complaint lodged last December by Western Europe's main semiconductor trade group,

Hospital Corp. said it did not think the offer was in the interest of shareholders, but it was referring the offer to its board.

The letter was sent by Charles Miller and Richard Ragsdale, former officers of Republic Health Corp., and Richard Scott, a Dallas lawyer.

the European Electronic Component Manufacturers Association, that Japan was selling certain semiconductors at below their cost of production.

This so-called "dumping" practice also is at the center of a U.S.-Japan semiconductor dispute.

Last month, the United States said it would impose punitive tariffs on a range of Japanese electronics products if Tokyo did not take action by April 17 to comply with terms of the semiconductor trade agreement aimed at halting the purported Japanese dumping.

U.K. Urges Cooperation

Prime Minister Margaret Thatcher said Thursday that Britain could not act alone in imposing trade sanctions against Japan, since this might have little effect and could bring the British government before the European Court, Reuters reported from London.

Speaking in Parliament, Mrs. Thatcher said EC trade experts were meeting in Brussels on Friday to discuss a joint strategy.

\$3.8 Billion Bid Is Made for Hospital Corp.

Reuters

NEW YORK — Hospital Corp. of America said it had received a letter Thursday from an investor group offering to buy the company for \$47 a share, or about \$3.8 billion.

But the company said that it would take more than \$5 billion to consummate the merger and retire certain company debt.

Hospital Corp. said it did not think the offer was in the interest of shareholders, but it was referring the offer to its board.

The letter was sent by Charles Miller and Richard Ragsdale, former officers of Republic Health Corp., and Richard Scott, a Dallas lawyer.

Baker Warns IMF Panel Of More Trade Deficits

By Hobart Rowen

Washington Post Service

WASHINGTON — Treasury Secretary James A. Baker 3d warned Thursday that despite Wednesday's agreement among major nations to stabilize currencies, trade imbalances among the major countries were "likely to continue to be substantial" at least through 1988.

In a speech to the Interim Committee of the International Monetary Fund, Mr. Baker said that "it is far from clear that an expansion of domestic demand in surplus countries will be strong enough to ensure a sustained reduction in internal imbalances."

Mr. Baker nonetheless had high praise for the agreement among the nations of the Group of Seven, announced Wednesday night, which reaffirmed the decision six of them took in Paris in February to maintain exchange rates "around current levels." The U.S. position is that this agreement helps to assure the probability that the dollar will not decline substantially for the foreseeable future.

Mr. Baker was known to be especially pleased with the promise by Japan to undertake a fiscal expansion of close to \$35 billion. Treasury officials said they believed this was an unprecedented commitment, amounting to about 1.5 percent

of Japan's gross national product, and that it should significantly expand Japan's domestic economic activity.

However, there was less optimism about the G-7 accord among other countries attending the Interim Committee meeting. It was noted, for example, that despite pressure by the other powers, West Germany had refrained from adding to the promises it had made in Paris to expand its own economy.

It was also noted that the principal U.S. undertaking at Paris, the promise to control the federal budget deficit, remains just a hope. Mr. Baker said, however, that virtually all analysts in the United States project declining deficits.

There also was a degree of skepticism evident that promises by the United States, Britain, and other countries to resist protectionism seemed to run counter to recent actions both in taking in retaliation against alleged Japanese discrimination on imports.

Meanwhile, the Interim Committee, which will issue a communiqué Friday on its deliberations, heard a series of pleas from debtor nations for more generous treatment. But it turned down what has come to be an annual request for an enlarged issue of the IMF's paper currency, known as Special Drawing Rights, on the basis of Mr. Baker's opposition.

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WHAT MAKES TDB EXCEPTIONAL? OUR GLOBAL RESOURCES, FOR EXAMPLE

If you know banking, you probably know that TDB is one of the largest banks in Switzerland. What you may not know, however, is that we provide our services — from private banking to foreign exchange — on a worldwide scale.

Through our global link with American Express Bank Ltd. and its 85 offices in 39 countries, we offer the advantages of one of the world's largest networks. What's more, we give you access to the unique investment opportunities provided by the American Express family of companies — world leaders in the financial services field.

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While growth remains one of our objectives, it is a point of principle with us to maintain a conservative

ratio of capital to deposits and a high degree of liquidity — sensible strategies in these uncertain times.

Finally, while we stay abreast of change, we never neglect the basics. These include our traditional discreet, personal service, closely adapted to individual needs and goals.

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TDB, the 6th largest commercial bank in Switzerland, is an affiliate of American Express Company, which has assets of more than US\$92 billion and shareholders' equity in excess of US\$3.7 billion.

TRADE DEVELOPMENT BANK

An American Express company



Trade Development Bank head office in Geneva, at 96-98 rue du Rhône.

Currency Rates		April 9					
U.S. Dollars	1.00	D.M.	0.6445	F.F.	0.1192	G.P.B.	0.5489
Swiss francs	2.7465	1.24	2.0125	2.0125	2.0125	1.24	2.0125
French francs	1.0258	1.24	1.2125	1.2125	1.2125	1.24	1.2125
British pounds	1.2125	1.24	1.2125	1.2125	1.2125	1.24	1.2125
London (1)	1.6185	1.24	1.2458	1.2458	1.2458	1.24	1.2458
Milan	1.3035	1.24	1.2125	1.2125	1.2125	1.24	1.2125
New York (1)	1.3035	1.24	1.2125	1.2125	1.2125	1.24	1.2125
Paris	1.2125	1.24	1.2125	1.2125	1.2125	1.24	1.2125
Tokyo	1.4520	1.24	1.2125	1.2125	1.2125	1.24	1.2125
Zurich	1.5180	1.24	1.2125	1.2125	1.2125	1.24	1.2125
1 ECU	1.1360	1.24	1.2079	1.2079	1.2079	1.24	1.2079
1 SDR	1.3070	1.24	1.2125	1.2125	1.2125	1.24	1.2125

Interest Rates		April 9					
U.S. Money Markets	4.9%	Swiss	4.9%</td				

Lloyd's to Help Meet Scandal Claims

The Associated Press

LONDON — Lloyd's of London, in an effort to put a five-year scandal behind it, offered Thursday to breach its policy of unlimited liability for member underwriters.

The world's largest insurance market offered to pay £48 million (\$77 million) toward meeting the liabilities of PCW Underwriting Agencies Ltd., whose founders were accused of misappropriating an estimated £39 million.

That money mostly has been recovered, but an estimated £235 million in PCW liabilities are still outstanding.

As part of the offer, Lloyd's said it would assume "all future liability arising from business underwritten by the PCW syndicates," including any new problems that arise as claims are settled.

The wealthy individuals who put up the financial backing for insurance on the market — who are called "names" — reap the profits in good years, but at the same time

have unlimited liability for all the losses of the syndicates in which they participate.

Although Lloyd's has stepped in before to help with losses suffered through fraud, this is the largest amount ever offered.

The underwriters who participated in PCW syndicates are to contribute around £34 million, about 25 percent of the total amount for which they could be liable.

Another £55 million is to come

Komatsu Raises Prices Of Its Export Machinery

Reuters

TOKYO — Komatsu Ltd. has raised the dollar-denominated export prices of its construction equipment by an average 3.2 percent due to the yen's appreciation against the dollar, the company said Thursday.

Komatsu, the world's second-largest maker of construction equipment after Caterpillar Tractor Co., raised its dollar prices three times in 1986, by a total of 15.5 percent.

The exposure of the PCW irregularities rocked the market and triggered substantial reforms.

To make matters worse, the syndicates suffered terrible losses in their underwriting.

The PCW 1985 Committee, representing 450 PCW names, criticized the offer as "cynically designed to leave [them] with the bulk of the alleged losses."

U.K. Investigates Share Trading in House of Fraser

International Herald Tribune

LONDON — Britain's Department of Trade and Industry said Thursday it was investigating dealings in the shares of House of Fraser Holdings PLC, the retail group that owns Harrods department store.

The DTI said its inspectors would be investigating purchases made in 1984 and 1985.

House of Fraser was acquired in 1985 in a £615 million agreed bid by the al-Fayed family of Egypt. London PLC, a London-based trading group, had launched an earlier bid for House of Fraser in 1981 but was blocked by the Monopolies & Mergers Commission.

In November 1984, London sold the 29.9 percent stake it had accumulated to the al-Fayed for £18.3 million.

Paul Spicer, a London director, said Thursday that the company had made an appeal in Britain's High Court last month for a government investigation into the al-Fayed acquisition of House of Fraser.

2 German Banks Report Higher '86 Profit

Reuters

FRANKFURT — Two West German banking groups, Bayerische Hypotheken & Wechsel Bank and Berliner Handels & Frankfurter Bank, reported Thursday that profit had increased in 1986, but they expressed caution about prospects for 1987.

Hypobank group profit rose 8 percent to 238.62 million Deutsche marks (\$130 million at current exchange rates) from 220.77 million DM in 1985. Assets rose about 7 percent to 120.37 billion DM, after 112.64 billion DM in 1985.

BHF group profit rose 3 percent to 93.27 million DM from 68.41 million, on assets only 4 percent higher at 27.52 billion DM from 26.32 billion.

The smaller bank benefited particularly last year from buoyant securities activity, which swelled commissions and own-account trading earnings, said Klaus Subjetzki, one of the five partners. But in 1987 the bank does not expect to match its profit of 1986.

Hypobank's main strength in earnings derived from building fi-

nance and interbank business, said Wilhelm Arendts, the management board spokesman.

As previously reported, its parent net profit rose 9 percent to 200.60 million DM from 184.10 million.

Hypobank kept its 1986 dividend unchanged at 12.50 DM.

VW Maintains Dividend Despite Currency Case

Reuters

WOLFSBURG, West Germany — Volkswagen AG on Thursday gave its shareholders the same dividend as last year despite a suspected currency fraud that may cost the company as much as 480 million Deutsche marks (\$260 million).

VW's supervisory board set an unchanged dividend of 10 DM per share and an 11-DM dividend on new preference shares. The former chief currency trader for VW was arrested this week in the fraud case, which involved the alleged forging of foreign currency transactions.

BHF's parent net profit rose 30 percent to 75.74 million DM from 58.37 million in 1985.

Mr. Arendts also said Hypobank has used its earnings to step up risk provisions for lending to problem debtor countries, and believed it was necessary to continue this policy.

Brazil's suspension of interest payments to commercial banks showed that uncertainties could arise despite high provisions already made, he said. He added that the 1987 provisions could be still higher than the published group risk provisions of 520.96 million DM in 1986, down from 586.37 million in 1985.

BHF's parent net profit rose 30 percent to 75.74 million DM from 58.37 million in 1985.

Mr. Arendts said that the dollar has hit bottom, predicted Shinji Sasaki, director of research and senior economist at Yamaichi Research Institute's New York office.

"It is possible to have a free fall of the dollar this year, even as low as 120 to 130 yen," he said. In such a free fall, Japan would hold back new investment in Treasuries, and some funds now invested in Treasuries might even be pulled out and placed abroad. Mr. Sasaki said.

"But only temporarily," he in-

Rio Tinto-Zinc Pretax Profit Fell 2% in 1986, Sales Rose

Compiled by Our Staff From Dispatches

LONDON — Rio Tinto-Zinc Corp., the large British mining and industrial company, said Thursday that 1986 pretax profit dipped 2 percent to £601.7 million pounds (\$970 million at current exchange rates) from £614.4 million in 1985, as a restated basis.

It cited losses following its share sale in an Australian company, mining write-offs and the drop in oil prices.

However, it said, the predicted rise in industrial production in the United States and Europe should boost its 1987 performance.

Revenue rose 6.5 percent to £3.3 billion from £3.1 billion.

Pretax attributable to shareholders fell 5 percent to £245 million from £257 million, while earnings per share also dropped, to 78.9 pence from 83.1 pence.

However, the final dividend rose to 23.5 pence from 22 pence.

RITZ's results were at the upper end of forecasts and the company's shares rose 15 pence to close at 863 pence Thursday on the London Stock Exchange.

Extraordinary losses totaled £21.8 million. In October, RITZ disposed of shares in CRA Ltd., the Australian mining company it founded, reducing its stake to 49

Hutton Unit Fails In Bid to Buy Prolator Courier

Reuters

NEW YORK — E.F. Hutton Group Inc. said Thursday that the \$265 million tender offer by its wholly owned unit, PC Acquisition Inc., for Prolator Courier Corp. had expired Wednesday without the purchase of any Prolator common stock.

Hutton said that PC Acquisition also terminated its merger agreement with Prolator, an overnight delivery company.

Hutton said the offer, which had been conditioned upon the tender of at least 5 million 116,892 Prolator shares, or about two-thirds of the outstanding shares, at \$35 per share, was terminated because the minimum number was not reached.

PC Acquisition has instructed its depository for the offer to return promptly the Prolator stock deposited by, or on behalf of, tendering shareholders, Hutton said.

Since Hutton's offer, Prolator Courier received a competing bid of \$40 a share from Emery Air Freight Corp., at a total of \$300 million.

According to lawyers connected

Takeover Rumors Lift UAL Stock; Trump Reported to Play Key Role

New York Times Service

NEW YORK — Shares of UAL Inc., after a sharp \$6.25 rise Wednesday, gained another \$1.125 on Thursday amid intense speculation that a takeover of the company that owns United Airlines could be in the making.

Donald J. Trump, the Manhattan real estate developer, appeared to be deeply involved, and he indicated he believed the company should be broken up.

UAL shares closed at \$73.125 on Thursday on the New York Stock Exchange.

Insiders said Mr. Trump appeared to be in a pivotal position. His reported 4.9 percent ownership of company stocks was thought to be the largest position held by a single investor.

Mr. Trump said he had spoken last week with Richard Ferris, UAL's chairman. "I told him I totally disagree with the way the company is being run," Mr. Trump said in an interview Wednesday.

Interest in UAL intensified last weekend when the union representing the company's pilots offered to buy the airline operations for \$4.5 billion. The pilots gave no indication where they would get the money for such a purchase, but they did say they would be advised by Lazard Frères & Co. Félix Rohatyn, senior partner of Lazard, is understood to have discussed the pilots' offer last week with Mr. Trump.

The union contended that stockholders would be best served by separating the airline from UAL's auto and hotel interests. The company, which is changing its name to Allegis Corp. next month, described the pilots' proposal as "unsolicited" — a term often used by management to convey a lack of interest.

Speaking of UAL's new name, Allegis, Mr. Trump said it was "better suited to the next world-class disease." He maintained that the change in name would cost "many millions of dollars."

BUSINESS PEOPLE

Compaq Founder Turns to Religion

By Arthur Higbee
International Herald Tribune

William H. Murto, who co-founded Compaq Computer Corp. in 1982, is leaving that highly successful manufacturer of personal computers to pursue a religious vocation.

Mr. Murto is 41, vice president for sales at Compaq, which is based in Houston. A Roman Catholic, married with three children, he said he would study for a master's degree in religious education in Houston.

Mr. Murto will be replaced as vice president of sales by Ross A. Cooley, director of corporate sales since 1985.

Mr. Murto said he first got "some inkling of the desire to reach out and help others" when he was in the U.S. Navy and saw the poverty in North Africa. "It had a great impact on me," he said.

Barclays Bank PLC of London has promoted John A. Kerslake to chief executive for North America, effective June 1, with headquarters in New York. Mr. Kerslake, 50, previously was general manager for personnel in London. He succeeds Brian G. Pearce, 53, who becomes executive director and chief finan-

cial officer of the bank's worldwide operations in London.

The International Organization of Consumers Unions, with headquarters in The Hague, has named Peter Goldman, its president from 1970 to 1975, as acting-general effective Sept. 20. Mr. Goldman, 62, has headed Consumers' Association, Britain's big consumer organization, since 1964. He succeeds Lars Broch, 48, who is returning to Norway.

General Motors Corp. said Clifford J. Vaughn, vice president and managing director of GM do Brasil, will return to the United States as vice president of manufacturing at the Chevrolet-Pontiac-Canada group, a new post. Mr. Vaughn, 53, will be replaced in Brazil by Robert B. Stone, 56, vice president and managing director of GM de Mexico.

Alcan Aluminum Ltd. of Montreal has named J. Hugh Faulkner president of its Geneva branch with the mission of developing new business. Mr. Faulkner, 54, a Canadian, was transferred from Alcan's Indian Aluminum Co. subsidiary where he was chief executive, based in Calcutta.

bond research at Salomon Brothers.

"They're finally finding other investments, in equities and plant and equipment — and Wall Street firms — that are more attractive," he said. In recent months, Nippon Life Insurance purchased a stake in Shearson Lehman Brothers, and Sumitomo Bank in Goldman, Sachs.

Japanese investments in the United States, indeed all foreign investments there, are only a fraction of total U.S. investments. And in the important subcategory of direct investment in factories, buildings and equipment, Japan accounts for only about 11 percent of the nearly \$200 billion from all foreigners placing third behind the British and Dutch.

But the growing diversity of Japan's investment is bringing new potential frictions.

Quite apart from President Reagan's recent tariff decision, or the national security blowup last month over Fujitsu Ltd.'s attempt to buy Fairchild Semiconductor, or the bond market nervousness, Japanese investments have altered the dynamics of the U.S. economy.

INVEST: Despite Dollar's Decline, Japanese Funds Pour Faster Into U.S.

(Continued from first page)

West German banks like to increase dividends only if they can maintain the higher level in following years.

Because of BHF's extraordinary position last year, Mr. Subjetzki said, the bank decided to pay a 2 DM bonus and an unchanged 12 DM dividend.

Hypobank had a slow start to 1987, with credit business dull in the first two months and interest margins under pressure, Mr. Arendts added.

Mr. Arendts also said Hypobank has used its earnings to step up risk provisions for lending to problem debtor countries, and believed it was necessary to continue this policy.

Brazil's suspension of interest payments to commercial banks showed that uncertainties could arise despite high provisions already made, he said. He added that the 1987 provisions could be still higher than the published group risk provisions of 520.96 million DM in 1986, down from 586.37 million in 1985.

BHF's parent net profit rose 30 percent to 75.74 million DM from 58.37 million in 1985.

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"It is possible to have a free fall of the dollar this year, even as low as 120 to 130 yen," he said. In such a free fall, Japan would hold back new investment in Treasuries, and some funds now invested in Treasuries might even be pulled out and placed abroad. Mr. Sasaki said.

"But only temporarily," he in-

sisted. "The money has to come back as soon as the Japanese decide the dollar has hit bottom. There is no other market in the world large enough and liquid enough to absorb our surplus funds."

The Japanese sent more than \$34 billion to the United States in net

bond research at Salomon Brothers.

"They're finally finding other investments, in equities and plant and equipment — and Wall Street firms — that are more attractive," he said. In recent months, Nippon Life Insurance purchased a stake in Shearson Lehman Brothers, and Sumitomo Bank in Goldman, Sachs.

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BANQUE INTERNATIONALE POUR L'Afrique OCCIDENTALE

U.S. \$30,000,000 floating rate notes 1982/1983

The rate of interest applicable to the interest period from April 9, 1987 up to October 9, 1987 as determined by the Reference Agent is 6% per cent per annum, namely U.S. \$35.27 per note of U.S. \$1,000.

Chemical Bank Home Loans

The Best UK Mortgages for Expatriates

* interest only * no capital repayment

* immediate funds available

U.S. Futures

Via The Associated Press

April 9

Season	Season	Open	High	Low	Close	Chg.
WHEAT (CBT)						
100 lbs minimum-dollars per bushel						
3/20	2,210	May 29	2,205	2,207	2,207	+0.00
2/24	2,210	Jul 27	2,210	2,205	2,205	-0.05
2/25	2,210	Aug 24	2,210	2,205	2,205	-0.05
2/29	2,205	Sep 20	2,205	2,205	2,205	-0.05
3/20	2,205	Mar 28	2,205	2,205	2,205	-0.05
3/21	2,205	Apr 25	2,205	2,205	2,205	-0.05
3/22	2,205	May 29	2,205	2,205	2,205	-0.05
3/23	2,205	Jun 26	2,205	2,205	2,205	-0.05
3/24	2,205	Jul 27	2,205	2,205	2,205	-0.05
3/25	2,205	Aug 24	2,205	2,205	2,205	-0.05
3/26	2,205	Sep 20	2,205	2,205	2,205	-0.05
3/27	2,205	Oct 25	2,205	2,205	2,205	-0.05
3/28	2,205	Nov 29	2,205	2,205	2,205	-0.05
3/29	2,205	Dec 26	2,205	2,205	2,205	-0.05
3/30	2,205	Jan 23	2,205	2,205	2,205	-0.05
3/31	2,205	Feb 20	2,205	2,205	2,205	-0.05
4/1	2,205	Mar 27	2,205	2,205	2,205	-0.05
4/2	2,205	Apr 24	2,205	2,205	2,205	-0.05
4/3	2,205	May 29	2,205	2,205	2,205	-0.05
4/4	2,205	Jun 26	2,205	2,205	2,205	-0.05
4/5	2,205	Jul 27	2,205	2,205	2,205	-0.05
4/6	2,205	Aug 24	2,205	2,205	2,205	-0.05
4/7	2,205	Sep 20	2,205	2,205	2,205	-0.05
4/8	2,205	Oct 25	2,205	2,205	2,205	-0.05
4/9	2,205	Nov 29	2,205	2,205	2,205	-0.05
4/10	2,205	Dec 26	2,205	2,205	2,205	-0.05
4/11	2,205	Jan 23	2,205	2,205	2,205	-0.05
4/12	2,205	Feb 20	2,205	2,205	2,205	-0.05
4/13	2,205	Mar 27	2,205	2,205	2,205	-0.05
4/14	2,205	Apr 24	2,205	2,205	2,205	-0.05
4/15	2,205	May 29	2,205	2,205	2,205	-0.05
4/16	2,205	Jun 26	2,205	2,205	2,205	-0.05
4/17	2,205	Jul 27	2,205	2,205	2,205	-0.05
4/18	2,205	Aug 24	2,205	2,205	2,205	-0.05
4/19	2,205	Sep 20	2,205	2,205	2,205	-0.05
4/20	2,205	Oct 25	2,205	2,205	2,205	-0.05
4/21	2,205	Nov 29	2,205	2,205	2,205	-0.05
4/22	2,205	Dec 26	2,205	2,205	2,205	-0.05
4/23	2,205	Jan 23	2,205	2,205	2,205	-0.05
4/24	2,205	Feb 20	2,205	2,205	2,205	-0.05
4/25	2,205	Mar 27	2,205	2,205	2,205	-0.05
4/26	2,205	Apr 24	2,205	2,205	2,205	-0.05
4/27	2,205	May 29	2,205	2,205	2,205	-0.05
4/28	2,205	Jun 26	2,205	2,205	2,205	-0.05
4/29	2,205	Jul 27	2,205	2,205	2,205	-0.05
4/30	2,205	Aug 24	2,205	2,205	2,205	-0.05
4/31	2,205	Sep 20	2,205	2,205	2,205	-0.05
5/1	2,205	Oct 25	2,205	2,205	2,205	-0.05
5/2	2,205	Nov 29	2,205	2,205	2,205	-0.05
5/3	2,205	Dec 26	2,205	2,205	2,205	-0.05
5/4	2,205	Jan 23	2,205	2,205	2,205	-0.05
5/5	2,205	Feb 20	2,205	2,205	2,205	-0.05
5/6	2,205	Mar 27	2,205	2,205	2,205	-0.05
5/7	2,205	Apr 24	2,205	2,205	2,205	-0.05
5/8	2,205	May 29	2,205	2,205	2,205	-0.05
5/9	2,205	Jun 26	2,205	2,205	2,205	-0.05
5/10	2,205	Jul 27	2,205	2,205	2,205	-0.05
5/11	2,205	Aug 24	2,205	2,205	2,205	-0.05
5/12	2,205	Sep 20	2,205	2,205	2,205	-0.05
5/13	2,205	Oct 25	2,205	2,205	2,205	-0.05
5/14	2,205	Nov 29	2,205	2,205	2,205	-0.05
5/15	2,205	Dec 26	2,205	2,205	2,205	-0.05
5/16	2,205	Jan 23	2,205	2,205	2,205	-0.05
5/17	2,205	Feb 20	2,205	2,205	2,205	-0.05
5/18	2,205	Mar 27	2,205	2,205	2,205	-0.05
5/19	2,205	Apr 24	2,205	2,205	2,205	-0.05
5/20	2,205	May 29	2,205	2,205	2,205	-0.05
5/21	2,205	Jun 26	2,205	2,205	2,205	-0.05
5/22	2,205	Jul 27	2,205	2,205	2,205	-0.05
5/23	2,205	Aug 24	2,205	2,205	2,205	-0.05
5/24	2,205	Sep 20	2,205	2,205	2,205	-0.05
5/25	2,205	Oct 25	2,205	2,205	2,205	-0.05
5/26	2,205	Nov 29	2,205	2,205	2,205	-0.05
5/27	2,205	Dec 26	2,205	2,205	2,205	-0.05
5/28	2,205	Jan 23	2,205	2,205	2,205	-0.05
5/29	2,205	Feb 20	2,205	2,205	2,205	-0.05
5/30	2,205	Mar 27	2,205	2,205	2,205	-0.05
5/31	2,205	Apr 24	2,205	2,205	2,205	-0.05
6/1	2,205	May 29	2,205	2,205	2,205	-0.05
6/2	2,205	Jun 26	2,205	2,205	2,205	-0.05
6/3	2,205	Jul 27	2,205	2,205	2,205	-0.05
6/4	2,205	Aug 24	2,205	2,205	2,205	-0.05
6/5	2,205	Sep 20	2,205	2,205	2,205	-0.05
6/6	2,205	Oct 25	2,205	2,205	2,205	-0.05
6/7	2,205	Nov 29	2,205	2,205	2,205	-0.05
6/8	2,205	Dec 26	2,205	2,205	2,205	-0.05
6/9	2,205	Jan 23	2,205	2,205	2,205	-0.05
6/10	2,205	Feb 20	2,205	2,205	2,205	-0.05
6/11	2,205	Mar 27	2,205	2,205	2,205	-0.05
6/12	2,205	Apr 24	2,205	2,205	2,205	-0.05
6/13	2,205	May 29	2,205	2,205	2,205	-0.05
6/14	2,205	Jun 26	2,205	2,205	2,205	-0.05
6/15	2,205	Jul 27	2,205	2,205	2,205	-0.05
6/16	2,205	Aug 24	2,205	2,205	2,205	-0.05
6/17	2,205	Sep 20	2,205	2,205	2,205	-0.05
6/18	2,205	Oct 25	2,205	2,205	2,205	-0.05
6/19	2,205	Nov 29	2,205	2,205	2,205	-0.05
6/20	2,205	Dec 26	2,205	2,205	2,205	-0.05
6/21	2,205	Jan 23	2,205	2,205	2,205	-0.05
6/22	2,205	Feb 20	2,205	2,205	2,205	-0.05
6/23	2,205	Mar 27	2,205	2,205	2,205	-0.05
6/24	2,205	Apr 24	2,205	2,205	2,205	-0.05

DOLLAR: Baker's Remarks Send It to Low Against Yen, as Markets Test G-7 Accord

(Continued from Page 1)

central bank intervention sustained the dollar, one senior trader said.

"The dam finally burst a little before Friday, when Mr. Baker described exchange rate adjustments as having been orderly."

Markets took this as a sign that

the Reagan administration would

not be unhappy if the dollar contin-

ued to decline at an even tempo.

Earlier, the British chancellor of the Exchequer, Nigel Lawson, had suggested that the United States would be reluctant to raise interest rates to defend the dollar's ex-

change rate.

In Washington, Japan's finance minister, Kiichi Miyazawa, warned

Thursday against a further drop in

the dollar's value against the yen.

London Dollar Rates

Close	The	Wed.
Deutsche mark	1.0240	1.0232
U.S. dollar	1.0232	1.0230
Japanese yen	114.49	114.50
Swiss franc	1.0720	1.0725
French franc	5.8075	5.8155

Source: Reuters

from Wednesday's close of 1.0465. It was down more than two pence, closing at 1.0192 Deutsche marks, against 1.01300 Wednesday. Against the French franc, it closed at 6.0525, down from 6.0885.

It also fell against the British pound, which closed at \$1.6200, against \$1.6160 Wednesday.

To add to the dollar's problems, the House of Representatives rejected President Ronald Reagan's budget proposal for fiscal 1988 by an overwhelming majority.

The budget defeat caused worry in some quarters that government spending will not be curtailed and that the Treasury's borrowing needs might increase.

In the credit markets, the key 7.5

percent Treasury bonds of 2016, which traded as high as 95 10/32, retreated to a midday quote of 94 19/32 for a net loss of 13/16 for the day.

The dollar also nosedived at the end of an otherwise quiet European trading day.

M-1 Falls \$2 Billion

Reuters

NEW YORK — The basic measure of U.S. money supply, M-1, fell \$2 billion to a seasonally adjusted \$738.9 billion in the week ended March 30, the Federal Reserve said Thursday. The previous week's M-1 level was revised down to \$740.9 billion from \$741.0 billion.

In London, the dollar closed at

144.60 yen, sharply down from

146.55 on Wednesday, at 1.0240 DM, down from 1.0383 on Wednesday, and at 1.5130 Swiss francs, down from 1.5275.

The pound, which was sidelined for most of the day, closed at \$1.6185, up from \$1.6130 on Wednesday.

In earlier European trading, the dollar was in Frankfurt at 1.0288 DM, down from 1.0348 Wednesday, and in Zurich at 1.5185 Swiss francs, down from 1.5293.

In Paris, the dollar closed at

6.0865 French francs, down from

6.1105 Wednesday.

(Reuters, UPI, NYT, AFP)

The G-7 Statement

Reuters

WASHINGTON — Here is a summary of the statement by the Group of Seven, the United States, Japan, West Germany, France, Britain, Italy and Canada, issued after their meeting Wednesday in Washington.

• The ministers and governors reaffirmed the commitment to the cooperative approach agreed at the recent Paris meeting, and noted the progress achieved in implementing the undertakings embodied in the Louvre Agreement.

They agreed, however, that further actions will be essential to resist rising protectionist pressures, sustain global economic expansion and reduce imbalances.

In this connection they welcomed the proposals just announced by the governing Liberal Demo-

catic Party in Japan for extraordinary and urgent measures to stimulate Japan's economy through early implementation of a large supplementary budget exceeding those of previous years, as well as unpreceded front-end loading of public works expenditures.

The government of Japan reaffirmed its intention to further open up its domestic markets to foreign goods and services.

• The ministers and governors reaffirmed the view that around current levels their currencies are within ranges broadly consistent with economic fundamentals and the basic policy intentions outlined at the Louvre meeting.

In that connection they welcomed the strong implementation of the Louvre Agreement.

They concluded that present and prospective progress in implementing the policy undertakings at the Louvre and in this statement provided a basis for continuing close cooperation to foster the stability of exchange rates.

Thursday's OTC Prices

NASDAQ prices as of 3 p.m. New York time.
Via The Associated Press

12 Month High Low Stock Sales In 100s Net Div. Yld. Sales In 100s Net High Low 4 P.M. Chgs.

A 1974 14 ADC Inc. 177 200 180 196 2016 + 14

1974 10% ASC 230 230 170 150 + 14

1974 10% AT&T 260 260 170 150 + 14

1974 10% AT&T 260 260 170 150 + 14

1974 11% AT&T 260 260 170 150 + 14

1974 11% AT&T 260 260 170 150 + 14

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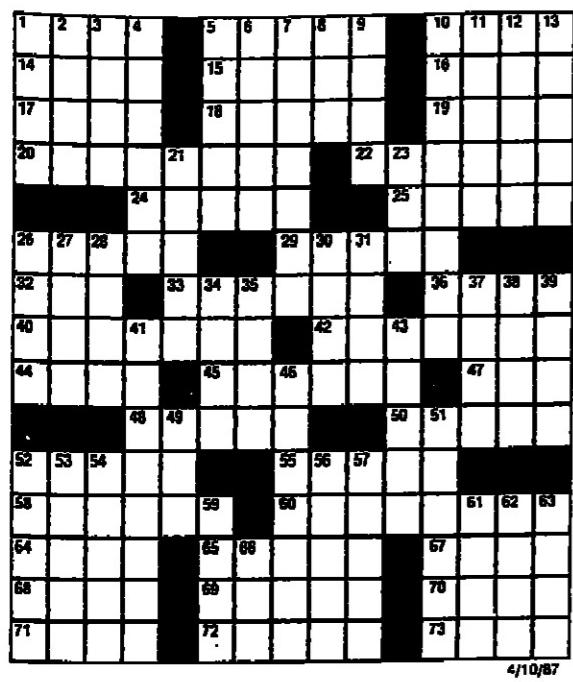
1974 11% AT&T 260 260 170 150 + 14

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1974 11% AT&T 260 260 170 150 + 14

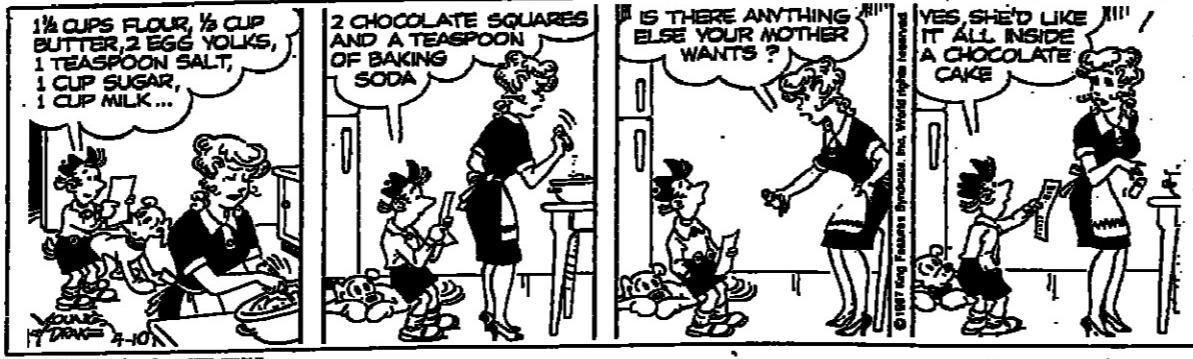
1974 11% AT&T 260 260 170 150 + 14



PEANUTS



BLONDIE



BEETLE BAILEY



ANDY CAPP



WIZARD OF ID



ACROSS

- 1 Repose
- 5 Assyrian's supreme God
- 10 Cinema's Clifton
- 14 Rubican bank
- 15 Udon —, Thai city
- 16 Zaragoza's river
- 17 Castor's slayer
- 18 Used a strop
- 19 Bar order
- 20 Mayor of Carmel-by-the-Sea
- 22 Trollope's "The Belton —"
- 24 Pops heaters
- 25 Emulated Tandy
- 26 Fetch
- 29 One of the Nereids
- 32 A comforter for David
- 33 Diaskeust
- 36 Hals's Jolly
- 40 Modified
- 42 London section
- 44 Exec's note
- 45 Kind, in Angoulême
- 47 A partner of day
- 48 Croupier
- 49 Onomatopon's contents
- 52 Meat pie

55 Roles for Marie Wilson et al.

58 Dam constructions

60 Gomez or Spahn

64 Munich's river

65 Entire

67 Table in a casa

68 — contendere

69 Clean off!

70 Egyptian solar deity

71 Crackie

72 Converges

73 Bandbox

DOWN

- 1 Border water
- 2 Amnon's daughter
- 3 Evián and Baden-Baden
- 4 City near Bethlehem
- 5 Comte de la Fère
- 6 Photograph
- 7 Part of a telephone
- 8 — de Mai, famed trotter
- 9 First U.S. woman in space
- 10 Author of "David Harum"
- 11 Fast track to British ships

55 Roles for Marie Wilson et al.

12 Yahoo

13 Afflicted with ennuí

21 Carried on

23 Posed

26 — Stoker, Dracula's creator

27 Kind of apple

28 Footnote word

30 Propels a wherry

31 Kyn's Companion

34 Kavus

35 Pointless

37 Bevel out

38 "Picnic" playwright

39 Serenatas

41 A chemistry nobelist: 1946

43 French legislature

46 Grain appendages

49 Affirmative vote

51 Trash collector

52 Assiduous care

53 Hot crime

54 Milan's La —

56 Ridicule

57 Hybrid animals

59 Part of a watch

61 Roselle or Ross

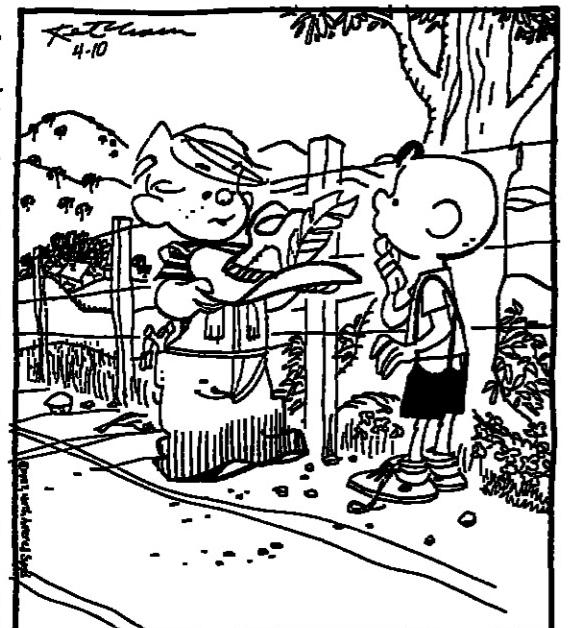
62 Voyaging

63 Kind of ad

66 Mesabi product

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DENNIS THE MENACE



"OH BOY! IT'S FINDERS-KEEPERS...UNLESS THE LOSER-WEEPER IS BIGGER THAN I AM."

JUMBLE THAT SCRABLED WORD GAME

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

YONOL



WHERE YOU MIGHT FIND THESE OPTOMETRY STUDENTS.

STOLCY



Now arrange the circled letters to form the surprise answer, as suggested by the stove cartoon.

Answer: IN (Answers tomorrow)

Yesterday's Jumble: FAUNA HEAVY MEMORY AUTUMN

Answer: Relation is the combination of nature by man—HUMAN NATURE

WEATHER

EUROPE

HIGH LOW COLD FOG RAIN SNOW

Amsterdam 14 15 8 4 10 10 10 10

Athens 20 20 12 12 12 12 12 12

Berlin 19 19 12 12 12 12 12 12

Bucharest 15 15 12 12 12 12 12 12

Brussels 15 15 12 12 12 12 12 12

Copenhagen 2 2 12 12 12 12 12 12

Costa Del Sol 2 2 12 12 12 12 12 12

Dublin 1 1 12 12 12 12 12 12

Florence 1 1 12 12 12 12 12 12

Frankfurt 20 20 12 12 12 12 12 12

Geneva 10 10 12 12 12 12 12 12

London 2 2 12 12 12 12 12 12

Madrid 17 17 12 12 12 12 12 12

Milan 17 17 12 12 12 12 12 12

Nice 17 17 12 12 12 12 12 12

Paris 14 14 12 12 12 12 12 12

Prague 14 14 12 12 12 12 12 12

Rome 14 14 12 12 12 12 12 12

Stockholm 20 20 12 12 12 12 12 12

Vienna 17 17 12 12 12 12 12 12

Warsaw 11 11 12 12 12 12 12 12

Zurich 12 12 12 12 12 12 12 12

MIDDLE EAST

Ankara 15 15 9 9 22 22 22 22

Carab 27 27 14 14 22 22 22 22

Damascus 17 17 12 12 22 22 22 22

Istanbul 17 17 12 12 22 22 22 22

Jerusalem 18 18 12 12 22 22 22 22

Tehran 18 18 12 12 22 22 22 22

AFRICA

Algiers 22 22 12 12 12 12 12 12

Cario 24 24 12 12 12 12 12 12

Kenya 24 24 12 12 12 12 12 12

Lagos 24 24 12 12 12 12 12 12

Monrovia 24 24 12 12 12 12 12 12

Montreal 24 24 12 12 12 12 12 12

Niger 22 22 12 12 12 12 12 12

Nigeria 22 22 12 12 12 12 12 12

Porto Novo 22 22 12 12 12 12 12 12

Senegal 22 22 12 12 12 12 12 12

South Africa 22 22 12 12 12 12 12 12

Tunis 22 22 12 12 12 12 12 12

LATIN AMERICA

Buenos Aires 24 24 12 12 12 12 12 12

Caracas 23 23 12 12 12 12 12 12

Mexico City 27 27 12 12 12 12 12 12

Rio de Janeiro 22 22 12 12 12 12 12 12

NORTH AMERICA

Athens 9 9 12 12 12 12 12 12

Boston 10 10 12 12 12 12 12 12

Chicago 20 20 12 12 12 12 12 12

Dallas 10 10 12 12 12 12 12 12

Denver 10 10 12 12 12 12 12 12

Houston 20 20 12 12 12 12 12 12

Los Angeles 24 24 12 12 12 12 12 12

Montreal 27 27 12 12 12 12 12 12

New York 22 22 12 12 12 12 12 12

Seattle 14 14 12 12 12 12 12 12

Toronto 22 22 12 12 12 12 12 12

Washington 19 19 12 12 12 12 12 12

ASIA

Bangkok 17 17 12 12 12 12 12 12

Beijing 27 27 12 12 12 12 12 12

Hong Kong 27 27 12 12 12 12 12 12

Kuala Lumpur 27 27 12 12 12 12 12 12

Manila 27 27 12 12 12 12 12 12

Seoul 19 19 12 12 12 12 12 12

Singapore 22 22 12 12 12 12 12 12

Taipei 21 21 12 12 12 12 12 12

Tokyo 21 21 12 12 12 12 12 12

AFRICA

Abidjan 22 22 12 12 12 12 12 12

Algiers 22 22 12 12 12 12 12 12

Asmara 22 22 12 12 12 12 12 12

Cario 22 22 12 12 12 12 12 12

Conakry 22 22 12 12 12 12 12 12

Dakar 22 22 12 12 12 12 12 12

Harare 22 22 12 12 12 12 12 12

Juba 22 22 12 12 12 12 12 12

Luanda 22 22 12 12 12 12 12 12

Maputo 22 22 12 12 12 12 12 12

Nairobi 22 22 12 12 12 12 12 12

Port Louis 22 22 12 12 12 12 12 12

Windhoek 22 22 12 12 12 12 12 12

AMERICA

Argentina 21 21 12 12 12 12 12 12

Bolivia 21 21 12 12 12 12 12 12

Brazil 21 21 12 12 12 12 12 12

Chile 21 21 12 12 12 12 12 12

Colombia 21 21 12 12 12 12 12 12

Ecuador 21 21 12 12 12 12 12 12

Paraguay 21 21 12 12 12

